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JAPAN AND THE OPIUM MENACE

JAPAN AND THE OPIUM MENACE

By

FREDERICK T. MERRILL

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PREFACE

For three reasons it seems important to put forward at this time a study of the narcotic problem of the Pacific Basin. First, its publication will closely coincide with the completion of the Chinese National Government's six-year campaign to suppress the cultivation of the opium poppy and the use of opium for smoking. Secondly, it may serve to underline the alarming spread in the consumption and manufacture of narcotic drugs in certain parts of China which has lately become a menace to the rest of the world. And lastly, since it has been demonstrated in the past that drug addiction increases during and after prolonged periods of war, it may stress a danger that will have a tendency to increase in coming years.

Prepared opium and heroin, which show evidence of having originated in the Far East, have continually been found in the illicit traffic of the countries bordering the Pacific Basin. As a consequence, the United States and the members of the League of Nations have been gravely concerned, inasmuch as all preventive efforts to curb addiction are being frustrated by this unlimited source of supply. Because the effectiveness of international co-operation in this particular sphere is under *observation*, not only as a possible solution of an isolated problem, but also as a guide to such international co-operation as can be visualized for the future, the co-operative efforts made at Geneva in recent years to curb this traffic are of first importance.

In any settlement of Far Eastern problems, both in respect to China and Southeastern Asia, the question of both opium smoking and narcotic drug addiction must necessarily play a part. During the last ten years, however, developments in connection with the abuse of opium, the enormous spread of narcotic drug addiction, illicit trafficking and clandestine manufacture of narcotics in China and Manchuria have

overshadowed the classic controversy over the monopoly sale of opium in other parts of the Far East.

The present volume is therefore concerned with describing conditions in respect to opium and narcotic drugs only in those areas of the Far East which are under the jurisdiction of the Chinese and Japanese Governments, or which like Hongkong and Macao (geographically a part of China), have become bases for the illicit traffic. A second volume will consider the smoking opium problem under the government monopoly system in the territories of the Western powers in the Pacific Basin—Straits Settlements, Federated Malay States, Unfederated Malay States, Brunei, Sarawak, British North Borneo, Hongkong, French Indo-China, Netherlands India, Macao—and Thailand as well as the Philippines, where complete prohibition has been legally in force since 1908.

The next step toward complete international narcotic control must be the limitation of the cultivation of the opium poppy to the medical and scientific needs of the world. It is not too much to hope that such a limitation will be possible when world order is restored, since it has now been generally recognized that the opium poppy is the primary source of addiction and therefore of utmost importance to control. During the last few years the very real diminution of opium cultivation in Free China is perhaps the most encouraging factor to date in the attainment of this end. In addition to an analysis of further steps to be taken in the problem of opium control as a whole, it is proposed in Volume II to include a study of the draft convention on reduction of raw opium already submitted to governments by the Opium Advisory Committee and an outline for a possible future policy for attaining successful international collaboration in the field of opium and dangerous drug control.

The disclosure of narcotic conditions in the Far East has been the particular interest of one man—the late Stuart J. Fuller, American representative on the Opium Advisory Committee. A debt of gratitude is due him for his inde-

fatigable efforts during the latter years of his life to ameliorate a situation which he believed was retarding the economic welfare, health, and happiness of the Chinese people.

I wish to express my deep appreciation for the editorial assistance given me in the writing of this book by Mrs. Howell Moorhead, Secretary of the Opium Research Committee of the Foreign Policy Association. Certain other eminently qualified experts, in particular, Mr. H. J. Anslinger, Commissioner of Narcotics, Department of the Treasury, and Mr. Leon Steinig, Member of the Opium Section of the League of Nations Secretariat, have been of inestimable help in advising me and affording much valuable source material. I also wish to thank Dr. M. S. Bates, Vice President, University of Nanking, for his interest and his helpful criticism of the manuscript.

This study was originally suggested by the International Research Committee of the Institute of Pacific Relations at its Princeton meeting in January 1939. The project was then referred to the Opium Research Committee and carried out under its direction. This book is published under the joint auspices of the International Secretariat of the Institute of Pacific Relations and the Foreign Policy Association, both of which have contributed to the research and the cost of publication. However, for all statements of fact or opinion expressed in this volume the author alone is responsible.

FREDERICK T. MERRILL

Washington, D. C., January, 1942

Editorial note: This book was on press at the outbreak of the war with Japan and no attempt has been made to discuss possible changes produced by the war.

FOREWORD

The international movement for the regulation of narcotics was inspired by the evil effects of opium smoking in East Asia and the islands near East Asia, including the Philippines. Whatever its origin it had become at the end of the nineteenth century a vice which particularly afflicted the Chinese people and which was spreading to countries to which Chinese laborers were attracted by opportunities for work at far better wages than they could expect in their overcrowded homeland. Mr. Merrill has shown that China and East Asia are again the centers of the narcotic evil, but the present evil is not limited to opium smoking, against which the campaign was first directed. The use of manufactured drugs has spread widely in China, and the manufacture of drugs in China and in the Japanese Empire has become at this moment probably the most important single source of supply of dangerous drugs to the United States. The blame for this menacing and sinister recrudescence of the use of narcotics and the threat to America and Europe of the increased manufacture of narcotic drugs in East Asia is laid at the door of Japan, and particularly of the commanders of the Japanese armies operating in Chinese territories and in the Kwantung Leased Territory. It is the more striking that the Japanese government should permit, if it does not encourage, this enormous narcotic manufacture and traffic since it is most particular in preventing narcotism in Japan; its record in sharply reducing addiction among the Chinese in Formosa has clearly shown Japan's realization of the damage done to individuals and to society as a whole.

This situation is the more discouraging as it has developed after the very vigorous international campaign against the hydra-headed narcotic monster, fed by the enormous profits of the illicit drug traffic. Such profits encourage individuals to continue in the traffic, despite the discouragement of the increasing restrictions of international and national control. Governments have also been tempted by the revenue to be gained from license fees, taxation and by the monopoly on the manufacture and sale of smoking opium.

Through the international organization binding together and aiding the national police forces, sources of supply of the drug traffic have been cut off in one country after another throughout western Europe, the Near East, and the Americas. The output of drug factories in western European countries, once the great suppliers of morphine and its derivatives, was successively reduced to meet only medical and scientific needs. Then new factories sprang up in countries of eastern Europe, to be restricted in turn by the persistent efforts of united governments led by official international organization and public opinion. As soon as one head of the hydra was cut off others sprang into being, and the campaign had to be constantly carried on. Now, apparently, the monster has raised its threatening heads again on the Asiatic Continent at a time when the governments of the

world are occupied with other matters than the protection of their peoples against narcotism, and there are no longer the regular meetings of the Opium Advisory Committee and of the Council and Assembly of the League of Nations to arouse public opinion and consolidate action.

The League of Nations has played an important part in the development of the world-wide anti-narcotic campaign and in the organization of the international agencies which have been built up to deal with this social evil. The United States was the first country to recognize fully that it alone could not effectively limit the supply of drugs in the underground traffic which made possible the increase in the number of addicts; and its government has remained in the forefront of the governments urging more stringent measures, not only in the interest of world well-being but also in the national interest of the protection of the people of this country from the ravages of narcotic drugs. Only, however, since the Peace Treaty of Versailles and the development of an international organization under the League have effective measures been taken to stop the evil at its source. This has involved the control of factories pouring out large quantities of narcotic drugs, and an attempt to limit the poppy fields which feed the factories and the dens in which opium is smoked.

The development of the international machinery is a testimonial to the value of a regular meeting place at which world issues can be debated and where nations can be arraigned for transgressions against the common good. The Opium Advisory Committee of the League was the great forum where delegates of governments were forced to answer charges and to explain their actions under the questioning of the representatives of other governments informed as to the facts on which the accusations were made. The Opium Advisory Committee would have availed little had it been only a meeting of delegates. It was effective because its members were informed by the experts of the Secretariat, by the police officers and government officials, and by private organizations, so that their questions could be pointed and definite.

The Bureau of Narcotics of the United States Treasury expressed its appreciation of the Committee:

"The Opium Advisory Committee is the only official international body established to supplement the individual efforts of governments to suppress the illicit traffic in narcotic drugs and to check up the way in which Governments fulfil their obligations under the Conventions. The Committee affords the one forum where the problem of the illicit traffic can be and is publicly discussed, and where any Government whose territory has been used as a base for the illicit traffic may be publicly asked to account for its stewardship."¹

The Opium Advisory Committee and the League initiated the conferences which drew up the conventions of 1925 and 1931 for government approval. These conventions formed the international statute regulating the manufacture of and trade in narcotic drugs and to a lesser degree in

¹ "Protection Against Habit-forming Drugs. A Survey of Law Enforcement and other Activities of the U. S. Treasury in Dealing with the Narcotic Problem." Document issued from the U. S. Government Printing Office, Washington, D. C., May 1940, p. 15.

smoking opium. Public opinion and governmental interest, which owed much of its force to the work of the Opium Advisory Committee, brought about widespread acceptance of this international statute and supported the efforts of the national and international administrators whose duty it was to enforce it.

The international administrators were not representatives of governments but were appointed as individuals to act as international officials. Thus, the actions of the members of the Permanent Central Opium Board did not bind the government of any country, and they could therefore function as experienced individuals conversant with the international and national problems of narcotics, independent of, and without involving their own governments. The Supervisory Body was appointed not by nations or governments but by the Permanent Central Opium Board and international health organs. Therefore it may be said that the Supervisory Body represented to a second degree, the spirit of international co-operation and freedom from national direction.

Even this effective international organization, however, would have been helpless without the support of national governments. International society has no police or courts which can deal directly with individuals, nor has it the independent machinery necessary for gathering the information it requires. It must depend on the associated governments—on their legislatures, their courts, and their administrative authorities—to make effective the treaties which constitute the international law for the regulation of narcotics. That law has gone far in laying down the rules for the production and traffic, both national and international, of narcotic drugs. But it is only by steady day to day action of police authorities that individuals in the different countries of the world can be protected against the drugs. The national governments must join together with the help of the international machinery to deal with the traffic, organized internationally, working across national lines and, spurred by great profits, on the alert to devise new ways of carrying on its business. It is only in a net of co-operating national enforcement agencies that the international traffickers can be caught. The governments which fail to maintain their part of the net open holes in its meshes through which the traffickers can easily slip to carry their illicit drugs all over the world and sell them wherever prices are best.

International legislation and international machinery to limit the growing of opium and to control the use of opium for smoking and other non-scientific or non-medicinal purposes have not kept pace with the development of the control over manufactured drugs. It is a problem to which more study must be given and which must be met before even the menace of manufactured drugs can be fully conquered.

It is of great importance that the machinery developed under the League, through international legislation and by the co-operation of national governmental agencies, be maintained so far as possible during a war. The administrative bodies—the Permanent Central Opium Board and the Supervisory Body—cannot of course function normally. Part of the staffs of these agencies remain in Geneva, but part was brought to the United States, where it could be in closer contact with the nations in this

hemisphere not yet involved in the war and where statistics could be collected more easily than at Geneva. After the war some international means of protection against the narcotic evil will be one of the problems in the reorganization of the world. The great strains on individuals which are bound to come in the after-war adjustments will create a condition most favorable to the increase of narcotic addiction. It is fortunate that there exists the international organization and the habit of co-operation among many governments in repressing the illicit traffic. It is also fortunate that so many of the experienced international officials and members of their staffs will be on hand to advise as to the modifications in the organization which experience and trained judgment show are necessary and to continue in the task of directing it.

What this present volume contains on the effect of the awakening of public opinion in China to the harm which opium smoking and drug addiction were doing to the health and strength of the Chinese people, and the awareness of the government of Generalissimo Chiang Kai-shek of the threat and the interest of the Chinese people, constitute a hopeful sign for the future in the Far East. In Europe and the Americas there has also been developed a better understanding of the damage which narcotism may do to the military and economic effectiveness as well as to the happiness of a nation. The government agencies have learned to work with and depend upon one another and upon the efficient international agencies set up for the control of traffic in manufactured drugs. Thus a basis has been laid, both among the people and among the governments, which can be counted on to support a better organized and more effective international organization and for co-operation between national administrations, not only to combat the evil of manufactured drugs but to cope with the limitation of poppy growing and the opium smoking.

JOSEPH P. CHAMBERLAIN

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JAPAN AND THE OPIUM MENACE

CHAPTER I

THE ORIGIN OF OPIUM SMOKING IN THE ORIENT

The opium poppy is one of mankind's greatest boons, not only in times of war but also in times of peace. Delicate operations cannot be performed without the aid of its derivatives, codeine and morphine, while these drugs are equally indispensable on the battlefield to deaden the pain of untreated wounds. When hospital facilities are lacking, morphine alone can lessen the shock of amputations, or make death easier when wounds are fatal. In the hospitals behind the lines, narcotic drugs are essential for the treatment and cure of wounds and disease. The human suffering in modern warfare would be far worse without the pain-killing properties of the poppy plant.

Paradoxically, opium has been—and still is—a curse to mankind. Throughout the centuries many hundreds of thousands have ruined their lives in opium indulgence. Since the discovery of morphine and heroin in the nineteenth century, narcotic drug addiction has also taken a heavy toll, particularly in Europe and the United States. In the Far East, opium smoking and lately the widespread abuse of narcotic drugs has ruined the lives of millions, and seriously retarded the progress of China as a whole.

War—civil or international—is often accompanied by a spread of chronic drug addiction. One of the recognized repercussions of modern armed conflicts is the increase in drug addiction sometimes to epidemic proportions in post-war periods.¹ Thus on the one hand, the opium poppy has

¹ "The experience of recent wars is significant in this connection. The history of wars (the American Civil War, the Crimean War, the Franco-Prussian War of 1870) shows that they are responsible for spreading drug addiction. . . . It was particularly in the Franco-Prussian War of 1870 that the therapeutic injections of morphine became general and produced numerous addicts. . . . The last war (1914-1918) also produced a large number of morphine addicts. In France,

helped to assuage the suffering of the sick and wounded; on the other, it has inflicted untold and needless misery.

Opium was known around the Mediterranean littoral in earliest times. The Arabs, who had studied Greek medicine and were trading in China in the eighth century A.D., passed on their knowledge of opium to the Chinese. Several Chinese authors of this period mention the cultivation of opium, while its use as a healing drug was recognized in a medical pharmacopoeia of 937 A.D., during the reign of Emperor Sung T'ai-Tsu. For the next five centuries the opium poppy and the extract of its capsule were noted frequently in Chinese medical and poetic works. It had not yet become, however, a drug of addiction, for no mention of an opium habit occurs in Chinese records or in the diaries of Jesuits and other travelers of the period.

The practice of smoking opium appeared only after the introduction of tobacco into the Far East. The tobacco plant had been brought from the West by the Spaniards, and it entered Southeastern Asia and China via the Philippines. In order to counteract tropical diseases, the Dutch often mixed tobacco with the opium which they had brought from India as a part of their trading cargoes. Since these Dutch traders came often to Formosa, the natives of the island were exposed to and quickly adopted the practice.

Tobacco smoking meanwhile became exceedingly popular in China, despite the edicts of the Ming Emperors. With the smoking habit so firmly-established on the nearby mainland, the Formosan custom of mixing opium with tobacco spread like wildfire. As the pleasurable effects of this innovation became apparent, tobacco was sometimes eliminated

the danger had become so great by 1916 that it led to the passing of the Law of July 12, 1916. . . . Veritable epidemics of drug addiction were reported in Germany and Austria during the revolutionary period of 1918-1919, in Italy in 1920, and also in Spain, the United Kingdom and America. At the Eighth Congress of Forensic Medicine (Paris 1923) Deirvaux mentioned among other sources of contagion in France the introduction of cocaine by Polish workmen and by the French army in the East, particularly from Syria. . . . The Great War created a relaxation in morals and thus predisposed men to drug addiction." (Advisory Committee on Traffic in Opium and Other Dangerous Drugs. Report to the Council on the Work of the 25th Session—Geneva, May 18th to 17th, 1940, pp. 14-15.)

and opium alone was smoked. The bamboo opium pipe soon appeared and the consumption of the drug was greatly facilitated. By the end of the seventeenth century more and more smokers were substituting opium for tobacco, and an opium habit began to take hold, particularly in the province of Fukien.

Emperor Yung Cheng issued the first of the anti-opium edicts from Peking in 1729. It was aimed only at the practice of smoking, however, and the sale of the drug for medical purposes continued. By 1767 a thousand chests annually entered the country, presumably to supply only the medical requirements of the people. Up to this time the opium trade had been mostly monopolized by the Dutch. Later it passed into the hands of the English, whose East India Company was able to control the export of opium from Calcutta. In 1790 over four thousand chests were imported into China.²

The Chinese themselves had been cultivating opium for a good many years, particularly in the interior provinces, where it appears that itinerant Mohammedans from Tibet and Burma had instructed the natives in its cultivation and medical use. As the demand of the smokers increased, poppy cultivation was stimulated, so that by the beginning of the nineteenth century as much opium was being produced domestically as was imported from India.

The continued spread of opium smoking finally induced the Emperor in Peking to prohibit both the importation of opium from abroad and the cultivation of the poppy at home. From 1800 until its importation was legalized some 60 years later, opium was supposedly contraband. During the first twenty years of these prohibitory edicts, however, no attention whatsoever was paid to the legal restrictions on the opium trade. Although opium was never permitted to enter Canton itself, the Chinese freely connived with British traders to land it elsewhere. During the decade after 1820 this illegal traffic reached an average of nearly ten thousand chests annually; in the following ten years it almost doubled.

² One chest contained 160 pounds of opium.

The continued drain of silver from China for the payment of the illegal opium imports also began to disturb the Chinese authorities. In 1840 they attempted to strike a blow at the trade by the destruction of some twenty thousand chests of opium stored in Canton. Some historians contend that this incident was as much a display of xenophobia as a desire to stop opium smoking. In any case it precipitated the so-called "opium war" between England and China. The persistence of the British in carrying on an opium trade in contravention to the laws of China was undoubtedly a factor in the conflict, but a more basic cause lay in the increasing exactions of the Cantonese Hongs upon British merchants. Nevertheless, the widespread belief, particularly in the crusading type of anti-opium literature, that the Anglo-Chinese War of 1839 was an "opium war" fought to inflict opium on the Chinese has persisted in spite of later historical evidence.³

The war ended in 1842, but the trade in opium was not mentioned in the treaty provisions. The informal agreements which had previously existed between Chinese merchants and British traders for the illicit handling of opium were no longer possible. Consequently, for the next twenty years there existed but few reports on the extent of the traffic. It had obviously thrived, however, for by 1860, 85,000 chests were said to be entering China's coastal ports annually.

Although twentieth century commentators are usually condemnatory of the official British attitude toward opium during this period, it was entirely consistent with the tol-

³ Among the first, John Quincy Adams, addressing the Massachusetts Historical Society, in 1841, concluded that opium was "a mere incident to the dispute, but no more the cause of the war than the throwing overboard of the tea in Boston Harbor was the cause of the American Revolution." In his remarkable book on "British Opium Policy in China and India" (published in 1934), D. E. Owen (History Professor—Yale University) asserts that "as far as the British were concerned, only in the light of its immediate occasion can the conflict be called an opium war. The most that can be said is that incompatible views of trade and diplomatic intercourse made a war probable; the opium question and the peculiar methods that Commissioner Lin applied to it made a resort to war inevitable. And the opium dispute condemned British government to fight its battle seemingly on the most unsavory of issues," (p. 168.)

erance of public opinion of the time. With the exception of a few enlightened humanitarians, the great majority of parliamentarians of the time countenanced the traffic. As long as the Chinese wanted opium, the British were pleased to supply it; and the profits were immense.

The treaties of Tientsin in 1858 also neglected to include any provision for the legalization of the opium trade. Through the mediations of the American and French envoys in China, who, although condemning the opium trade, desired to remove the abuses of the contraband system, the Commission on Tariffs listed opium as a dutiable product. Since this meant increased revenue for China, no opposition was raised by the Chinese Commissioners. The importation of opium was thus indirectly legalized, and the best made of a situation which at the time was fully recognized as indefensible, at least from a legal point of view.

As the domestic production increased, and as the taste for opium grew in the interior, further revenues were realized by the collection of taxes on the local sale of imported opium. This *likin* or internal tax was agreed to by the British Government in the Chefoo Convention of 1876. The importance of opium revenues to Chinese budgets is evidenced by the fact that the *likin*, together with the import duty netted one hundred and ten taels per picul⁴ after 1885, and since the average importation of Indian opium was 62,000 piculs during the two decades following legalization, some ten million dollars annually was being collected from Indian opium alone.

The production of opium in China itself had also not been lagging. The heavy taxation of Indian opium made the article increasingly expensive for the poorer people, whose taste for it had already been awakened. They thus turned to home-grown opium. Although a high of 83,000 piculs (4,260 tons) was imported in 1885, in the years following domestic production exceeded imports. By 1900,

⁴ Over a dollar (U.S.) per pound. The picul equals 133 pounds, and is used interchangeably for *chests*. One tael formerly equaled about \$1.40 in U.S. currency. Seventeen chests (or piculs) of opium weigh a little over one ton. The tael is currently used as unit of weight, equivalent to 1 1/3 ounces avoirdupois.

poppies were planted in almost all provinces of China, the annual harvest reaching 300,000 piculs, almost six times the amounts imported from India. In the one hundred years since opium importation and domestic cultivation had been banned by the Emperor Chia Ch'ing, the Chinese had increased their consumption of smoking opium from 238 tons to over 20,000 tons.

Meanwhile the practice of smoking opium had spread beyond the borders of China to Siam, Malaya, the Netherlands Indies and the Philippines, as well as flourishing in Formosa, where it had originated. The Chinese laborers and traders who emigrated from China to Southeastern Asia in the latter part of the nineteenth century carried the opium habit with them. Later, because the Chinese were usually segregated in certain sections of the seaport cities or in the neighborhood of tin mines or rubber plantations, the non-smoking arrivals from China were contaminated by the smokers of the community. Malays, Javanese and Siamese also contracted the opium habit from the Chinese, but hardly ever in significant numbers.

There were a number of other reasons why opium smoking flourished particularly in these expatriate Chinese communities. Most important were the onerous conditions of life under which the Chinese lived away from home. Many of the immigrant coolies were young men breaking family ties for the first time. Because of homesickness and lack of parental restraint they succumbed more easily to the temptations around them. Moreover, labor in the mines and in the seaport towns was particularly exhausting, and the environment offered little diversion or amusement after a long day's work. Opium smoking became the sole means of relaxation.

The contract system of obtaining coolie labor for the plantations and mines in the British and Dutch colonies further abetted the evil. Agents recruited Chinese by any means at hand. In the early days opium was sometimes advertised as an inducement to attract applicants. The drugging and "shanghaiing" of likely prospects was not un-

known. Once established in mines or on plantations, they were often paid in opium, which served both to increase the profits of the company and to keep workers pliant and contented.

In the colonies themselves there was no lack of opium to satisfy the demand. Indian opium was imported in quantity and freely sold by concessionaires, who purchased from the colonial governments the exclusive right to market the drug. The colonial income thus became largely dependent on the sale of such opium monopolies to "farmers," a right which was auctioned off to highest bidders annually or for a period of two or three years. The opium "farmers" were usually syndicates of Chinese merchants, who could hardly have any interest in curbing the retail sales upon which their investment and profits depended. In the main, it was the Chinese opium retailers themselves who encouraged the habit among their countrymen.

Opium smoking had become established everywhere in the Far East at the turn of the century, particularly among the Chinese people. The use of narcotic drugs was still unknown; but the stage was being set for their introduction into the Orient, which, as in the case of opium, was also to be at the hands of Europeans.

CHAPTER II

SOCIAL AND ECONOMIC ASPECTS OF OPIUM SMOKING AND DRUG ADDICTION

It is important to differentiate between the smoking of prepared opium and the abuse of opium derivatives; i.e., the illicit consumption of and addiction to morphine and heroin. Although the opium poppy is the common source of these drugs, and the effect of prepared opium on an individual in comparison with opium derivatives is apparently only one of degree, nevertheless, different social and economic factors attend the manufacture, sale and abuse of each.

Prepared opium for smoking and all the well-known narcotic drugs, with the exception of cocaine and cannabis sativa (marijuana, hashish), are derived from raw opium. Raw opium is the juice from the capsule of the white poppy plant (*papaverum somniferum* L.) which has in the past been cultivated in India, most provinces of China, and Asiatic Russia; in Persia, Turkey and Afghanistan in the Near East; and in certain sections of Europe, such as Yugoslavia and Bulgaria. When the poppy plant reaches maturity, incisions are made in the capsule and the resulting exudation is scraped off. This dark brown mass is rolled into balls or made into bricks, in which form it is sold in the market as raw opium. Raw opium is prepared for smoking by a fairly simple process of cooking. In recent years, factories have been established in the Far East to manufacture prepared opium in order to standardize the morphine content and remove the impurities.

Prepared opium is usually smoked in wood and bamboo pipes, which are very often exquisitely decorated with ivory and silver. A pipe top, formed like a bowl, serves to collect the residue or ash after combustion. The opium is impaled

on a pin and heated over a small lamp. When ready, it is placed in a small aperture in the pipe top while the smoker inhales deeply, a single pipeful usually being limited to a few inhalations. In appearance, prepared opium is not unlike thick, black treacle. The residue after smoking is called dross and contains a large percentage of morphine. Mixing additional opium with the dross or consuming the dross itself in order to heighten the narcotic effect is a common practice in some regions, exceedingly deleterious to the smoker.

The opium smoking vice is almost entirely confined to the Far East, and in the Far East to the Chinese people.¹ The consumption of opium by the matured Chinese man or woman is not dissimilar, in a social way, to the use of whisky by the peoples of Occidental nations. Moderate opium smoking is not condemned by the Chinese themselves on moral or medical grounds, except for its habit-forming effects and the detrimental results upon health and income. Whatever efforts the Imperial governments of China and the more recent Republican regimes have made to suppress the habit have been motivated largely because of the realization that opium was impeding economic development and the growth of national self-respect. Intemperance has been stigmatized in China in much the same way as has overindulgence in alcohol in the Occident. Yet there has been no prohibitory movement of any importance among the Chinese people in general. Until the New Life Movement of the present regime, the crusades in China against opium were led by a few Chinese educated in missionary schools, and by the missionaries themselves.

Aside from its pleasurable effects, the Chinese have used opium for other reasons. In earliest times opium was a household medicine—a cure-all for sickness and a preventive against contagious disease. Reputable physicians and quack doctors alike prescribed opium to ease the pain and suffering caused by the many ailments which have always

¹ Opium smoking is also practiced to some extent by the natives of Iran and Burma, and to a lesser extent by Malays and Javanese.

been the lot of the Chinese people. The erroneous belief that opium was an aphrodisiac and an aid to procreation was widespread. Since to be childless in a land of ancestor worship was the greatest of tragedies, the use of opium for this purpose very often led to overindulgence and addiction.

The oppressive conditions of life under which the majority of Chinese labor for a meager existence has further stimulated the consumption of opium. Education is deficient, ambitious instincts dormant; and the social distractions which the Occident takes for granted are available to less than one per cent of the people. Opium smoking thus became the main form of relaxation. In addition to the euphoric effects obtained, the leisurely method of consumption and the social amenities which usually accompany its preparation were the most satisfactory means of relaxation after a hard day's toil. During the nineteenth century, the use of the opium pipe was an accepted social custom, particularly among the elders of the community.

A more general reason for the extensive use of opium by the Chinese lies perhaps in the Chinese philosophy of life. Opium smoking is primarily stimulating, but when many pipes are smoked, the resulting intoxication sometimes produces dreams. The refinements of opium dreams have appealed greatly to the sensitive and sensuous Chinese people. The sale and purchase of opium is accompanied by the eternal bargaining which is a delight to the average Chinese. Their fatalistic attitude toward life, their indulgence in earthly joys, all contribute to a tendency to use any pleasurable stimulants at hand.

Although the Chinese have used opium for centuries, they have not been unaware of its deleterious effects. Opium smokers have paid a heavy toll except when they have used it moderately and have been well able to afford it. Moderation in opium smoking, however, is more difficult to maintain than in the use of alcohol, and only a few intellectual and well-to-do Chinese have smoked opium for years without ill effect. Addiction—that is the physiological necessity

of reverting to the drug at regular intervals—is the dangerous ingredient in opium smoking. When the dose must be increased to obtain the necessary euphoria (sense of well-being), addiction, with its consequent harmful effects, appears. Although whisky drinkers also must increase their consumption for similar reasons, symptoms of a physiological nature are not so marked.

From the point of view of health the habitual use of opium usually leads to digestive disorders and general debility. A Chinese addict is usually emaciated and can often be recognized by his withered and hollow-checked "opium face." Opium destroys the appetite, immobilizes the will and diminishes sexual potency. Opium pipes are often the means of spreading infectious diseases. Its use to relieve pain is dangerous, for increasingly large doses are necessary to achieve the desired effect when the pain reappears. And finally the opium user may be driven to the white drugs, morphine and heroin, in order to satisfy his addiction.

The Japanese have been carrying on experiments in Formosa to determine the effect of opium smoking on the period of life expectancy. It was discovered that the average death rate was 47.2 per thousand for non-smokers and 75.7 for smokers, a shortening of the life span by one-third. Such observations cannot be considered conclusive, however, for other elements are present, such as the age of smokers and the fact that some are already suffering from incurable diseases. It was found that one of the chief causes of early death among smokers in Formosa was malnutrition. Opium addicts usually have neither appetite for food nor sufficient money to buy it.

Socially and economically considered, opium smoking is equally harmful. The majority of smokers have been and still are of the laboring class and can ill afford the continual purchase of opium. As the needs of the smoker increase with the progress of addiction, the drug consumes even more of his income while earning capacity often diminishes in like proportion. Very often food is sacrificed for opium. Even more important is the economic effect on

an addict's dependents when he is the sole means of their support. The extreme poverty of many Chinese families and the high mortality among children are in many cases a direct result of opium indulgence on the part of those on whom they rely for support.

The wastefulness of the opium habit has directly affected both the community and the Chinese nation as a whole. When entire regions became sodden with the drug, every evidence of prosperity disappeared. As opium became the only taxable crop, few schools or roads could be built. The agricultural economy of several provinces has periodically been maladjusted by the overproduction of opium. Because vast acreages were dedicated to poppy cultivation, food shortages were created in many districts, and when transportation facilities were impaired in times of floods, and no food from neighboring regions could be brought in, disastrous famines occurred. Opium cultivation has consequently caused an incalculable loss to China's agricultural and economic productivity. Furthermore, when government officials and soldiers became addicted, even the political security of the country itself was affected.

The abuse of narcotic drugs, morphine and heroin, on the other hand, is a more recent phenomenon in China. Morphine was discovered in Europe during the nineteenth century, and its painkilling properties soon made it indispensable in surgery. Due to the absence of all laws against the use of narcotic drugs, however, and the lack of restraints on their manufacture and sale, drug addiction spread throughout the Occident. By the end of the century factories in Europe and the United States were turning out huge quantities of morphine, heroin and cocaine, which were greatly in excess of the world's medicinal and scientific needs, and which were being used to satisfy the cravings of increasing numbers of addicts.

Raw opium is the source of crude morphine, from which is manufactured certain morphine salts. There are also other morphine derivatives: acid-radicals (esters), such as benzoylmorphine, diacetylmorphine (heroin); alcohol-radicals

(ethers), codeine, peronin, and others. Cocaine, derived not from the opium poppy, but from the leaves of the coca plant, is another well-known narcotic, but its use is markedly diminishing. The customary form of consumption of these narcotic drugs when prescribed by doctors is by subcutaneous injection. By this method the dose can be more carefully regulated.

Around the beginning of the century the surplus manufacture of these drugs in Europe began to arrive in the Far East. Small amounts were imported legally through the Chinese customs, but the majority were smuggled in through the coastal ports. The greater potency of morphine and heroin and the rapidity of their effect were discovered by increasing numbers of opium smoking addicts in these cities. Although European countries were not unaware of the danger to the general welfare of unlimited manufacture and sale of these dangerous drugs, no preventive steps were taken; and their flow to the Far East, and particularly to China, was allowed to continue uninterrupted for many years. In addition to the European and American product, Japanese pharmaceutical firms also manufactured heroin and cocaine in quantity, and distributed them in China to fulfill the growing demand among newly created addicts.

In the Far East narcotic drugs are illicitly consumed in several different ways. The most common method is in the form of pills. These pills contain either opium dross or pure morphia and are often coated with wax. The percentage of narcotic substance varies widely. The pills have often been marketed in China as an anti-opium remedy, and as cures for tuberculosis and other ailments. In addition to the Western practice of subcutaneous injection, heroin and sometimes morphine are rubbed into scratches on the arm. In pill and powder forms heroin, in particular, is sometimes smoked, the pill being inserted into the end of a cigarette. Heroin is also sniffed, as is cocaine.

Both the cheapness and the potency of these drugs have attracted the Chinese addict. A dose of heroin or a heroin cigarette sometimes costs less than ten cents, or several

pennies in American currency. In pill form, whether swallowed or inserted in cigarettes, the consumption of the drug is both a more secret affair, and consumes less time than opium smoking. Whenever the prohibitions on smoking were periodically enforced by the Chinese Government, the consumption of narcotic drugs would increase, since the absence of the distinctive opium odor and the facility with which morphine pills could be consumed made it easier to evade the law. Even when smoking was legalized, narcotic drugs retained their popularity; for the Chinese disliked to register with the government on general principles, either for fear of being added to tax rolls, or of being known as opium addicts.

Drug addiction is an unmitigated evil. Once addicted to morphine or heroin, victims must undergo a most painful cure and one which is very seldom permanent. In extreme cases, death occurs. An addict of narcotic drugs soon ceases to be a contributory member of his community. In order to obtain continued access to the drug, he must maintain contact with the criminal class. In extreme stages of addiction he becomes not only a non-productive member of society but a menace to others, for an addict is prone to contaminate his companions. Frequently, he will commit crimes himself in order to insure his supply of the drug. Thereafter, he will have to be incarcerated, thus becoming not only an expense to the state, but a total loss to society in general.

Although it is the increase in this type of drug addiction which is at present the greatest danger to the people of China, there is no denying the fact that opium smoking has also had a disastrous effect on the history of China during the last one hundred and fifty years. In addition to retarding economic development, opium cultivation and opium profits have corrupted political life and financed civil disorder and revolution. The weak role China has played in international politics, particularly in its nineteenth century relations with the Occident and its twentieth century relations with Japan has been due in part to the excessive ap-

petite for opium which existed among such a large portion of the Chinese people.

Nevertheless, opium smoking has not the grave physical and moral effects of narcotic drug addiction. Moderate smokers can function satisfactorily for some years. The act of smoking is very often performed in an atmosphere of sociability, and since the habit is gained slowly, the craving is less intense. The spread of poisonous narcotics in certain areas of occupied China, however, is completely demoralizing large sections of the population. Abject poverty, physical ruin and slow death are now in sight for countless thousands unless this trend is checked.

CHAPTER III

THE OPIUM MENACE IN CHINA

In the early part of the twentieth century, the Imperial Government of China became alarmed at the increase of opium smoking. By 1906, probably twenty per cent of the entire Chinese population had become periodic smokers, and over forty million adults among these were thought to be addicted. In addition to the deleterious effect of the drug on the physical well being of the Chinese people, the loss in economic productivity must be reckoned at many hundreds of million gold dollars annually.

Well-to-do opium connoisseurs continued to prefer Indian opium, which still poured into China at the rate of four thousand tons a year. The poorer smokers, however, were kept supplied by an increasing domestic production of opium, gathered from immense fields of poppy in the Western Chinese provinces. Because Indian opium was heavily taxed at entry, the local production was protected from the competition of the foreign product. Chinese opium soon found such a profitable market among the poorer classes of smokers that by 1906 the farmers of Szechuan, Yunnan, Kweichow, Kansu, and Shensi were producing six times the amounts imported. According to H. B. Morse, the annual output of native opium reached an average of 376,000 piculs or 25,000 tons during the early years of the century.

An Imperial Decree against opium in 1906 provided for the prohibition of both the foreign and native product within ten years. A section of public opinion in Great Britain had by this time become greatly aroused by the opium trade between India and China as well as by the dependence of their colonial governments on revenue derived from the retail sale of prepared opium. The Indian government was thus prevailed upon to restrict opium ex-

portation to China with a view to discontinuing the trade entirely at the end of a ten year period, providing, however, that the Chinese government showed evidence of its willingness and ability to carry out its program of prohibiting native production and consumption. At the end of a three-year probationary period, British observers in China were convinced that a considerable diminution of cultivation had actually taken place, particularly in Szechuan, Yunnan and Shensi. The treaty agreement was thus extended; and in 1914, although it meant considerable sacrifice of revenue, the Indian government took steps to prohibit the trade in opium to China entirely, several years in advance of the treaty's expiration date. The Chinese government's success in crushing the opium habit was an astounding feat. The impetus came mostly from the ruling classes, first among the old dynasty, and after 1911 from Republican leaders. The gradual acceptance of Western methods and ideals and the increasing effectiveness of missionary anti-opium propaganda had convinced conservative Chinese statesmen that the country could not take its place on an equal footing with other nations until opium smoking had been eradicated. Drastic penalties, including beheading, for violation of the anti-opium decrees doubtless had a large part in the Government's successful campaign. Poppies were prohibited wherever the government could exercise its authority. In 1917 the British Minister in Peking was able to state that opium cultivation had practically disappeared. Although some opium was still grown in the more remote provinces, such remarkable progress had been made elsewhere that all observers agreed that China was at last on the verge of ridding itself of the opium scourge.

A demand for opium, however, still existed among large numbers of addicts. Enough opium remained in secret caches and was smuggled from remote frontier regions to supply the more wealthy smokers. Some poorer opium habitués had turned to manufactured drugs—morphine and heroin pills—as illicit opium became scarcer and more expensive in coastal cities. Official imports of morphine

through Chinese ports reached twenty-six thousand ounces in 1914, and large amounts also entered Hongkong, from where it was smuggled into the southern provinces.

Reaction came swiftly and suddenly. In the short period of three years all the previous successes of the Chinese government in suppressing the opium habit were nullified by a widespread recrudescence of poppy cultivation. The reasons were almost entirely political. The division of authority between the Central Government at Peking and the self-appointed southern regime at Canton had caused a rupture which increased the independence of local military governors. These self-appointed military warlords and their numerous parasites encouraged opium production, not only in order to reap profits on its sale, but also as a means of increasing the collection of taxes or "fines" from cultivators. Opium profits became vital to the support of local armies, and opium regions tempting military prizes. In other provinces, previously free from opium, local troops who were little more than bandits often encouraged the growth of opium at the point of a bayonet and then appropriated the crop. The greater the extent of opium cultivation, the more powerful became the warlord who controlled the tax collection of the region.

Opium cultivation and land taxes were only one source of profit. Its transportation and sale in other parts of China enriched many others. In most cases it moved and was sold under the auspices and protection of local military and naval authorities. Some of the most highly placed families in China participated in the traffic. In 1918 General Feng Kuo-chang, himself, one-time president of the Republic, became involved in an attempt to seize control over the vast stocks of unsold Indian opium, worth millions of dollars. Fortunately, he was frustrated and his successor publicly burnt the opium. In 1921 the British Minister protested to the Peking Government that Chinese military officers were not only encouraging cultivation but protecting great shipments of smuggled opium entering the Lower Yangtze Provinces, where opium prohibition was still effective. The

Peking and Cantonese governments, however, were helpless to prevent this situation since they were unable to enforce their laws in areas controlled by recalcitrant warlords. In fact, the many internecine wars and "rebellions" of these years can be laid wholly to the greed for opium profits. Opium was to a great extent both the cause and the result of China's political disruption.

By 1924, China's opium problem was as bad as it had ever been. The International Anti-Opium Association of Peking reported recrudescence of poppies in almost every province. Moreover, the importation and smuggling of morphia had also increased. Customs seizures for 1920 amounted to 11,872 ounces of morphine compared to 3,408 ounces in the year previous. It was estimated that almost 900,000 ounces, largely of European manufacture, had been successfully smuggled in during the same year, mostly from Japan. The increased use of white drugs fast became the worst element in China's reversion to narcotic addiction.

During the following decade, from 1924 to 1934, there was no diminution in either opium production or opium smoking, once cultivation had been established by the military governors. With the exception of one hiatus from 1927 to 1928, the official policy toward opium was one of complete prohibition. Nevertheless, the really shocking inefficiency of the government in carrying out its laws and the large scale participation of Chinese authorities themselves in the opium traffic made any suppression farcical. During this whole period the budgets of provincial governments were supported by opium revenues; and corruption, bribery, chicanery and hypocrisy were inextricably mixed up with anti-opium crusades, a few of which were undoubtedly honest attempts to improve the situation.

There were many groups of interests supporting two diametrically opposed plans for solving China's opium problem. On the one hand, many impartial foreign observers, politicians and government officials advocated a government monopoly coupled with eventual suppression measures as the most effective method of control. On the

other, the anti-monopolist group, including such strange bedfellows as the missionaries, the National Anti-Opium Association, the illicit traffickers, and army leaders, insisted on continuing the policy of strict prohibition. By supporting the latter group, the smugglers and independent militarists were obviously hoping to perpetuate the conditions which made their illegal transactions profitable. The anti-monopolists argued that to legalize opium was to lose inestimable ground in the war against it, for a government—once it establishes monopolies—is loath to relinquish the revenues which accrue from such lucrative sources. The monopolists opposed such arguments by pointing to the dismal failure of the system of absolute prohibition. They stressed the desirability of taking the revenue away from illicit traffickers and from provincial governors and military generals who were not in sympathy with the government. Some contended that the Central Government could never exert its authority over these semi-independent militarists until it had taken over the entire opium traffic, the exploitation of which was supporting rebel armies.

In retrospect it is apparent that neither method of suppression could have been successful in the China of the time. The Chinese people as a whole had not yet been awakened to the evils of opium, and there existed no strong authority to suppress or control it. In view of Chiang Kai-shek's subsequent adoption of the monopoly system in 1934, it is important to describe the complete failure of attempted opium prohibition during this period.

The extent of China's return to opium after 1924 was well disclosed in two investigations—one undertaken by the International Anti-Opium Association for the years 1925-26; the other five years later by H. R. W. Woodhead, well-known British journalist, whose findings were published in the *Shanghai Evening Post and Mercury* during March 1931. In both these surveys, conclusions were based on answers to inquiries forwarded to all parts of the country. Almost all who replied were missionaries. Although it was well recognized that they had a vast knowledge of the country and its people, the preponderance of this type

of testimony makes it acceptable only with reservation. Missionaries have always been the leaders of the anti-opium crusades in China, but their very zeal creates the possibility of exaggeration.

In general, however, both surveys concluded that opium cultivation was increasing in almost every part of China. After 1917 poppies had reappeared mostly in the provinces where they had been planted before; and, as in 1905, Szechuan, Yunnan and Kweichow were still the heaviest opium producers. However, certain other factors in each province stimulated production. In Kweichow, for example, all civil and military finances were raised from opium taxes, and cultivation was virtually compulsory. Opium from Szechuan, because of its proximity to the Yangtze River, was easily exported, an advantage which other provinces did not enjoy. The remoteness of Yunnan from Central Government control and the richness of its land had always served to encourage the production of opium, and Yunnanese opium found a ready market, even in neighboring Burma and Indo-China. In far-away Kansu poppies were freely raised throughout the province except in the Mohammedan section in the West. The high percentage of addiction in this province accounted for most of the local production, and there was little left for export. In 1925 there was a marked recrudescence of opium in Anhwei. Other important producing areas included certain *hsiens*¹ of Fukien, Shensi and Suiyuan. The latter two provinces under the control of the Christian General, Feng Yu-hsiang, remained free from opium for several years, but in 1930 it was reported that both opium cultivation and consumption had increased.

In the various *hsiens* of each producing province the extent of opium cultivation usually varied in accordance with the existence or severity of military compulsion. The mildest form was the practice of increasing the land tax from year to year, and of collecting it several years in advance. When taxes reached a certain point, farmers were forced to raise

¹ Political unit, county.

opium in order to survive. In such provinces as Kweichow and Szechuan, where excessive production habitually occurred, a "lazy tax" was imposed on all non-opium growers. The extreme form of compulsion—direct military force—was often employed during the 1924 season and peasants were shot for refusing to grow opium.

The total production of opium in China during this period of recrudescence, however, was probably less than the average output in the years 1900 to 1905. This was partly due to a glut on the market and the consequent depressed price of opium, which in some provinces was sold as low as fifty cents an ounce. Many addicts had been cured during the period of reform or had not yet reverted to the habit, while others, particularly in the coastal provinces, had substituted imported narcotic drugs. For several years, more opium was produced than consumed. Estimates of China's production for an average year during the 1920's ranged from 5,000 to 15,000 tons, the latter figure representing nine-tenths of the world's annual production. An acceptable figure would be in the neighborhood of 7,000 tons. In spite of the Central Government's prohibitions, the International Anti-Opium Association concluded that in the year 1925 "production was limited only by the inclinations of the people on the one hand, and the varying degrees of military and civil compulsion on the other."

The shipment of opium from the heavy producing provinces to the other sections of China and to the coastal ports was carried on in most cases with the connivance and under the protection of Chinese naval and military authorities. Szechuan and Kweichow opium was transported down the Yangtze River to Hankow and Shanghai. Not only were Chinese gunboats and shipping firms involved in the traffic, but also the river steamers of well-known British and American shipping companies. The frequency and size of these opium shipments could hardly have escaped the attention of the companies' officials.

From Yunnan, where few river highways are available, opium had to be transported by caravans of horses or coolies,

either north to Szechuan or east through the province of Kwangsi to Canton. During 1930 and 1931 thousands of coolies and horses, convoyed by heavily armed soldiers, delivered Yunnan opium to trading firms in Canton. One expedition in April 1931 carried 390 tons of opium, which netted the Yunnan government anti-opium bureau a million dollars in stamp duties alone. For several years opium shipments went by rail into Indo-China, from where some of it re-entered China nearer the coast. This circuitous route was often used to avoid bandit gangs and the exorbitant transit taxes in Kwangsi.

Taxes on the transit of opium through the various provinces were usually levied in the guise of tolls or fines. Local war-lords and magistrates fixed the rate in accordance with their importance and power. When the opium reached its destination in Honan, Chekiang or Shantung, more taxes were collected on its distribution. From farmer to smoker, every transaction of opium was taxed to the breaking point.

With no restraint on the cultivation and sale of opium and with the price low enough to put it within reach of even the poorest coolie, the number of smokers rapidly increased. By 1927 literally millions of Chinese puffed their opium pipes publicly on steamers, in trains, in military and civil *yamens* (magistrate's offices), restaurants and country inns. In the producing provinces, some fifty per cent of the adult population became addicted. Certain *hsiens* of Kansu reported ninety per cent, an incredible figure. Opium dens operated everywhere, but smoking was only permitted after the purchase of a permit from the military authority. Lamps and other smoking paraphernalia in dens were also taxed and fines were collected for any omissions. The increase in consumption, besides stimulating opium production, opened up an entire new field of revenue for military officials and local magistrates. Moreover, it enabled certain opium merchants in the coastal cities, particularly in Shanghai, to become powerful forces in the municipal and national government.

The situation in Shanghai was particularly unsavory.

Tu Yueh-sheng had become king of the city's opium trade, and his political connections in Nanking as well as his personal relations with Chiang Kai-shek gave him a certain immunity from government interference. Operating in the French Concession, he directed the import of illicit opium from Iran, Yunnan and Szechuan. Opium dens and retailers paid him tribute for the right to do business. All vice rackets—prostitution, gambling, blackmail and white slavery—fell under his sway. His connection extended far up the Yangtze into the opium producing provinces, and scarcely a shipment of opium moved without the connivance of his far-flung organization.

In 1933 hundreds of tons of Persian opium were seized by government forces from the 19th route army in Fukien. The larger portion was marketed by Tu and it was reported that at least some of it was manufactured into heroin. The connection between authorities of the French Concession and Tu Yueh-sheng's activities was finally exposed and he was forced to transfer his activities into Nantao, the Chinese section of the city. From there Tu continued his opium trafficking unimpeded, and as head of the largest opium ring ever to exist in China, he became the most powerful and sinister character in Shanghai.

In addition to the immense profits pocketed by such individuals, whole provinces and even the National Treasury undoubtedly derived revenue from opium taxation. Kwangsi was notorious for its dependence upon opium taxes, which yielded \$8,650,381 for 1927-28. In 1934 the provincial budget showed income of \$1,910,000 and expenditures of \$14,770,000. The deficit was covered by opium transit taxes and diverted to the "private war chest." In the Woodward survey, it was noted that the National Treasury was enriched by \$18,808,607 from "Opium Prohibition Revenue" for the year 1927-28. This item appeared in the "Classified Table of Revenues from Provincial Commissions of Finance and Various Tax Collecting Offices for the Sixteenth Fiscal Year of the Republic." Although this would appear to be only indirect participation on the part of the Government

in the opium racket, it is significant indication of the government's equivocation, particularly in view of its moralizing attitude at Geneva. During these years the Chinese representatives in Geneva had continually attempted to excuse an indefensible situation by denouncing the existence of extra-territoriality and by blaming foreign interference.

In 1934 the Central Government finally abandoned the policy of absolute opium prohibition and set up a new system of monopoly control. The National Anti-Opium Association immediately condemned the government for taking advantage of the Sino-Japanese trouble of 1932 to subvert the association's activities and silencing those who had heretofore been successful in preventing the opium trade from becoming a legalized item in the nation's budget. The government in defense of its action declared that the smoking of opium was only to be permitted temporarily and only by those licensed as addicts. Most important was the policy declared by the Government of reducing the number of addicts over a period of six years and the setting of a date—1940—when all poppy cultivation and opium smoking were to be prohibited.

The first reaction of observers outside China was one of skepticism. The venality of various Chinese governments in the past and Chiang Kai-shek's reputed previous connections with opium racketeers contributed to the belief that the new program was little more than window dressing on the part of the government to cover up the need for opium revenues. The speed with which the Chinese expected to eliminate opium entirely seemed overly ambitious. For the following two or three years China's campaign was watched with interest in order to discover what progress was being made and to evaluate the government's sincerity.

But important changes had occurred in China since the last attempt at monopoly control in 1927. The revival of Chinese nationalism was having a salutary effect on the attitude of the people toward opium. One of the social ramifications of the new national self-consciousness was the New Life Movement, fostered and directed to a large extent

by the popular Mme. Chiang Kai-shek. The "New Life" had no place for opium, and a specific mass education and propaganda campaign against its use was initiated by the leaders of the Movement. Since the New Life Movement is intensely nationalistic and patriotic, its sponsorship of opium suppression has had a tremendous appeal, especially to China's youth. The smoking of opium has now become an unpatriotic act, and, with the strengthening of Chinese nationalism resulting from the struggle against Japan, the habit is no longer tolerated in public-spirited circles.

When Great Britain was flooding China with Indian opium, the hatred of foreigners in general and Englishmen in particular never prevented the Chinese from enjoying the opium supposedly forced upon them. Now, however, because it is Japanese nationals who have been so frequently engaged in peddling heroin and morphine, Chinese propagandists have succeeded in convincing the people that these drugs have been introduced into China by Japan for the sole purpose of accomplishing their demoralization. Consequently, the anti-opium drive was at once supported on the grounds that opium smoking and drug addiction would directly aid Japan in its conquest of China. In some instances hatred of Japan has been so strong that many Chinese have voluntarily renounced the habit for this reason alone.

In addition to this gradual growth of anti-opium sentiment among the people, the leaders of the government were also determined to suppress it. Chiang Kai-shek, foreseeing the eventual conflict with Japan, was making every effort to prepare the Chinese people for resistance. For many decades opium had weakened the morale and had dissipated the energies of his people. Moreover, poppy cultivation displaced food crops and because China's food supply had never been adequate, every acre uprooted of poppies and planted with wheat and corn added to China's self-sufficiency. Chiang's decision to suppress opium was the motivating force of the movement.

The changed attitude of the Chinese people and their leaders alone could not accomplish the elimination of opium

within six years. What brought the program within the realm of possibility was the effective unification of China. With the Kuomintang victory over Kwangtung leaders in South China in 1936, practically all resistance to the Nanking regime had been overcome. Although the Communists were installed in parts of Northwest China, they had renounced opium trafficking several years previously and their leaders had taken precautions to prevent any spread of opium addiction. The Central Government was thus able to exercise its authority and make its opium laws effective over a large portion of China. Since this authority was, in effect, based upon martial law, a new respect for the opium decrees was soon apparent.

The 1934-35 regulations and laws regarding opium growing, transportation and smoking on the one hand, and against the traffic, manufacture and use of high-powered narcotic drugs on the other, are known as the Six Year Plan for Opium Suppression. Generalissimo Chiang Kai-shek, as supreme military commander, was appointed Director General for the suppression of opium by the Central Political Committee of the Kuomintang. Before the Sino-Japanese conflict he was assisted by two subsidiary bodies acting directly under his orders. The Opium Suppression Supervisory Bureau at Hankow was charged with the prevention of the illicit sale and transportation of narcotic drugs, besides the control of the sale and transportation of opium permitted for registered smokers. The Central Commission for the Suppression of Opium at Nanking directed suppression policy and co-ordinated the gradual elimination of poppy cultivation in the various provinces. In all instances, the laws were enforced by military authority.

Because there was little hope of curing by medical treatment some ten million addicts in six years' time, the government attacked the problem on another front by ordering a drastic reduction of poppy cultivation. For this purpose, the Central Commission divided the coastal or "inner" provinces from the more remote "frontier" provinces. Poppy growing was prohibited entirely in the "inner" provinces,

which included Honan, Hupeh, Anhwei, Kiangsi, Chekiang, Hunan, Shansi, Hopei, Shantung and Fukien. In the "frontier" provinces, where heretofore the greatest proportion of opium had been grown, and where also the government exercised the least control, a plan had been evolved providing for temporary production leading to gradual but eventual prohibition according to a formula. Thus by 1937 all poppy growing was prohibited in Shensi, but permitted in designated *hsiens* of Yunnan, Szechuan, Kweichow, Kansu and Suiyuan. Officially, the poppy was not to have been planted in Yunnan after 1938, in Szechuan after 1939, while after 1940 no poppy cultivation at all has been permitted. The elimination of opium at its source is the keystone of the present campaign.

Punishment for the violation of these laws was severe. The army itself was often employed to punish recalcitrant poppy farmers, and municipal and provincial authorities who neither reported nor uprooted the growing poppy. To detect violations, deputy inspectors in conjunction with the provincial governments made frequent surveys. If fields which had once been reported clear of the poppy were again found cultivated, not only the farmer but also the magistrate, village chief and opium inspector of the district were liable to life imprisonment or execution.

The deadline for opium smokers was set for December 31, 1940. Although compulsory registration was put into effect in 1935, the lists were kept open for several years afterwards in order that all smokers might be forced into the state monopoly system. Once registered, smokers were forced to submit to a gradual program of cures in accordance with their ages. Purchase, transportation and sale of opium were authorized by the Bureau; retailers and hong-owners were restricted and permitted to operate only with licenses. All others dealing in opium were liable to execution. Because Chiang Kai-shek himself was particularly anxious that the present and future leaders of his people set a good example, party members, government officials, military men, school teachers and students were forbidden to smoke opium; and

addicts among them who had once been cured but had re-acquired the habit were executed.

The laws relating to illicit drug traffic and heroin addiction are the severest that China has ever tried to enforce. After January 1, 1937, not only manufacturers and dealers in narcotic drugs, but also uncured addicts were given life imprisonment or executed. The death penalty was also decreed for government employees who were apprehended protecting offenders or receiving bribes—a drastic blow at traditional Chinese “squeeze.”

It was quite natural that any real progress toward suppressing opium and narcotics was not immediately apparent. As late as the beginning of 1936 impartial observers pointed to the failure of the government to register more than 1,218,416 smokers and to reduce poppy cultivation to any perceptible degree in Kweichow, Yunnan, Szechuan, Shansi, Suiyuan, Chahar and Sikang. In Hunan where poppies were prohibited, 194 tons were produced in 1935. Huge amounts of opium continued to arrive in Shanghai from the interior via river boat and rail, and the government appeared powerless to suppress the ubiquitous, illicit trafficker.

For the years 1936 and 1937, however, previous to the outbreak of the Sino-Japanese conflict, China reported a very definite diminution of poppy cultivation in its reports to the League of Nations. The American representative in Geneva was able to corroborate this progress. Further supporting evidence was found in the report of the Indo-China government, which noted a significant reduction in the customary smuggling of opium from Yunnan—a fact which indicated an opium shortage in the border *hsiens*. The Chinese delegate estimated that opium cultivation in both Yunnan and Szechuan had been reduced by fifty per cent. The program of suppression in several other “frontier” provinces had also been speeded up, and poppies had completely disappeared in all but two of the coastal provinces.

Chinese people everywhere were slowly being awakened to opium's evils. Missionaries and newspapermen began to report on the outward manifestations of the anti-opium

crusade. Posters appeared in the streets, while in the schools and colleges, in the theaters and moving picture houses, the horrible effects of the opium habit were continually presented to the Chinese people. The fourth of June, the anniversary of Commissioner Lin's "opium teaparty" in Canton, was set aside as anti-opium day and confiscated opium, pipes and other paraphernalia were burnt in public. Sports and other diversions were promoted and encouraged among young people. Although such propaganda was having little effect on opium habitués, it was undoubtedly helping to restrain the youth of China from taking up the habit.

The registration of smokers and the success of the measures for carrying out the disintoxication of addicts were further indications of the sincerity of Chiang Kai-shek's campaign. By 1937 the government had completed 1,000 hospitals for curing smokers. One hospital in Shanghai claimed to have discharged 7,000 cured patients. Over four million opium smokers had been registered. In some provinces, when addicts had not cured themselves within a designated period, *Yen min* (opium addict) was branded on their faces. In Kiangsu 20,000 persons were prosecuted under the opium suppression laws, while in Hupeh, according to one report, 5,568 dens were closed and 7,500 addicts cured.

The government showed no tolerance toward convicted drug peddlers and addicts. After the deadline of January 1, 1937, over 2,000 narcotic offenders were executed. A certain amount of sensational publicity attended these executions, and public opinion in the Occident was mildly shocked at the extreme methods the Chinese government was taking to eliminate addicts. Most of these executions, however, were for drug peddling. The few addicts shot were said to have been habitual criminals. In any case, these drastic punishments had a salutary effect on other addicts and peddlers, and a decrease in the traffic and addiction to drugs was reported in regions where the Central Government exercised authority.

In spite of the very definite advances toward suppression

of opium cultivation, revenues were still an important factor in the local budgets of many provinces. In Kwangsi, the greatest proportion of the government's annual income was still being derived from taxes on the movement of opium across the province. One of the motives behind the Kwangsi agitation against Nanking in June, 1936, appears to have been the effort to recover some of the immense opium transit taxes which this province had lost to the Central Government, for Chiang Kai-shek had been able to route opium coming from Yunnan and Kweichow to Hankow, rather than through Kwangsi to Canton. In Shansi the local governor, Yen Hsi-shan, ran his own private monopoly, taxing the transit and sale of opium throughout his bailiwick.

The Nanking government, similar to other governments with monopoly systems, profited greatly from the sale of opium to licensed addicts. More and more smokers were forced to obtain permits to smoke government opium, as the successful operation of the Suppression Bureau, backed by the military police, cut off illicit sources. Since the government had been able to divert the opium from the producing provinces to Yangtze control ports, which were under government supervision, it could monopolize the distribution of a great deal of China's production. And by 1937 it had at least four million customers. No figures were given out by the Chinese government regarding opium revenues during this period, but from 1934 to 1937 net profits must have been well over five hundred million dollars. Once opium revenue becomes an acceptable and necessary adjunct to regular government income, the pressure for continuation of a monopoly is usually irresistible. The steep increase in the Chinese government's revenues from opium made impartial critics more than ever doubtful of its eventual power to resist such an easy means of balancing the national budget.

In addition to the government's legal profits on the sale of opium, some government officials were undoubtedly lining their own pockets during the early years of monopoly control. The Opium Suppression Supervisory Bureau, as

agent for the retail sale of opium for smoking, found it impossible to establish its monopoly in certain cities and provinces without dealing with the opium combines and racketeers who had previously controlled the trade. This was particularly true in Shanghai which was the largest distributing center. Since Tu Yueh-sheng had become undisputed opium king of the city, it proved better policy to share profits with him by bringing him into the government's control scheme. Moreover, it was common gossip in Shanghai that Chiang Kai-shek was still under obligation to Tu, so that the reward of the legal monopoly on opium sales in Shanghai was considered payment of a past debt. Tu Yueh-sheng was thus duly appointed to the Shanghai Opium Suppression Bureau and as a matter of course occupied the position of greatest influence.

Another sinister influence operating in certain cities was the secret societies which, as ancient off-shoots of the Buddhist religion, have long been a part of Chinese social life. Some of the more important secret societies seem also to have been organizations of workmen or employees. In Shanghai, the Green Circle Gang in particular had been active in organizing the clandestine sale of opium. Though powerful opium merchants, such as Tu Yueh-sheng, were leaders of this gang, the majority of the members were respected representatives of the city's business and social life. These groups were extremely powerful in municipal politics, and the Nanking regime had no desire to oppose their opium activities. Paradoxically, Tu's Green Circle Gang in Shanghai at this time found itself enacting the unnatural role of enforcement agent, since all non-government opium entering the city was a source of competition to Tu and his legalized city monopoly. Because opium smoking was openly encouraged by such powerful groups, Shanghai's sales boomed and profits were immense.

The network of Suppression Bureau and sales agencies in Shanghai became highly complex. Graft and "squeeze" were common. In order to be sure of his percentage of the profits, Tu Yueh-sheng created a super holding company. The Spe-

cial Goods Association, as it was called, had representatives on all suppression bodies and its ramifications were such that it reached down into every transaction, bribe, tax or fine. It levied its own tax of ten cents a tael² over and above the legal tax on all opium sold in the city.

In the spring of 1937, Tu Yueh-sheng and his organization made a bold attempt to extend the monopoly sale of opium into the International Settlement. The Settlement's Council was asked to permit registration of smokers within the International area where strict prohibition had always been attempted, although not always effectively. This scheme was vigorously attacked by the British papers; and the Council, after expressing premature approval, gave it no further consideration. The *Shanghai Evening Post and Mercury* printed the following succinct editorial, which expressed the attitude of the English speaking element of the city: "If the Council agrees to the scheme of registration and provides the Chinese 'opium suppression enforcers' with lists of those registered, the evil influences, who are the Chinese government's acknowledged partners in this alleged suppression movement, will have the best possible weapon for multiplying the known objectionable results of partnership between merchant-gangsters and Government."

It was extremely dangerous for Shanghai civil servants, foreign newspapermen and others to meddle with the strongly entrenched opium business of the city. Tu Yueh-sheng's position as president of the Chung Wai Bank, Chairman of the Chinese Ratepayers Association and his known influence in the highest municipal and Nanking political circles, made him practically unassailable. But most well-informed people in Shanghai had no illusions concerning the part played by the opium merchants on the Municipal Suppression Committee in increasing opium profits and in its illicit dealings in tons of smuggled Iranian opium. After the invasion by Japan in 1937 a number of documents of the Municipal Opium Bureau were found which substantiated these facts. It is undoubtedly true,

² 1 tael = one and one-third ounces avoirdupois.

however, that the Nanking government was forced by circumstances to accept the partnership of these illicit traffickers and opium merchants. Soon afterwards the situation changed; the Japanese occupied this section of China, and the opium racket passed into other hands.

In addition to the difficulties of the Nanking government in suppressing opium in places where it had always been well entrenched, the persistence of Japanese nationals in peddling drugs was an added complication. For the past two decades, Japanese, Korean and Formosan gangsters and small tradesmen have been offering their nefarious wares in many parts of China.³ This situation has recently been widely publicized, and has played an important part in arousing feeling both within and outside China against Japan. One hundred years ago, Great Britain had been supplying the Chinese people with opium. Thirty years ago, France, England, Switzerland and Germany in addition to the United States⁴ were permitting their surplus manufacture of narcotic drugs to find its way to the Orient. Today these abuses against China have ceased, due mostly to public revulsion against such a trade and the pressure brought to bear through the League of Nations. Japan alone has made no successful efforts to prevent her nationals from engaging in the narcotic drug traffic in China, though consumption of these drugs is now widely condemned even by the Chinese. Aside from the Japanese responsibility for this situation and their attitude toward addiction among the Chinese in contrast to the rigid control over the abuse of drugs in Japan itself,⁵ other conditions have affected the increase of addiction in certain regions.

The coastal ports of China, for instance, have long been notorious centers of crime, vice and drug smuggling. World shipping created smuggling opportunities in their harbors. Chinese stevedores and coolies were accustomed to smoke

³ Narcotics in the three northeastern provinces, Manchuria, will be described separately. Cf. Chapter VIII.

⁴ The export of manufactured drugs from the United States was prohibited in 1914.

⁵ Cf. Chapter V.

opium as an antidote for fatigue; and sailors of many nationalities, far from home, invariably patronized what they thought were the glamorous vices of the Orient. Opium, prostitution and gambling were thus big business in the waterfront sections of the cities of the China coast. It was only natural that the narcotic drugs which came from overseas should first take hold in these cities.

The Chinese have continually claimed, however, that their efforts to prohibit the distribution and smuggling of drugs in these coastal cities were frustrated by the existence of a foreign customs collection service and extra-territorial courts set up under the treaties imposed on China in the nineteenth century. The consular courts have always been a source of conflict between the Chinese and foreign police officers, for all foreign subjects arrested by Chinese authorities had to be handed over to consular officials for punishment. In Japan's consular courts, penalties for drug offenses were usually small fines, or at the most deportation. Such sentences did not act as deterrents. The severe narcotic laws, recently instituted by the Nanking government, naturally did not operate in the International Settlement, or in the French Concession, where penalties were much lighter.

Consequently, the foreign settlements have in many instances provided a refuge for smugglers, manufacturers of drugs, and opium den owners of all nationalities, including the Chinese. The French Concession in Shanghai, a notorious hideout for criminals, has only been cleaned up within the last ten years. The Concession's Chief of Police was discovered deeply involved in the opium traffic and in other forms of vice. A recent investigation of the International Settlement by the United States authorities disclosed between 25 and 40 illicit establishments where cocaine and heroin could be bought and used. In 1937 after the Japanese had evacuated Hankow, the remains of a morphine manufacturing plant were discovered in their Concession. The Japanese Concession in Tientsin has housed as many as 500 opium dens. The Chinese authorities, with some

justice, have thus claimed that the existence of consular law hampered their preventive efforts.

Nevertheless, in other sections of China, where the Central Government's authority has been weak, the Chinese themselves have often been involved in the drug traffic. After international control over the manufacture and movement of narcotic drugs had effectively dried up the flow of narcotics from Europe into China, Chinese addicts continued to find a source of the drug within China itself. Clandestine manufacture of morphine cropped up not only in the coastal cities but even in the interior provinces of Hupeh, Kiangsi and Szechuan. Chinese peddlers were often apprehended, but were usually discovered to be in the pay of a Japanese or Korean. These Japanese nationals were most active in the five northern provinces of China and in Fukien.

The penetration of Fukien by Formosans and Koreans was accompanied by a consistent spread of vice. A careful investigation in 1935 by a group of responsible Americans and Chinese disclosed the fact that 642 of the opium dens of Amoy and Foochow were owned or controlled by Formosans, Koreans or Japanese. Armed Japanese gangsters were often stationed outside dens to prevent interference with their operation. The International Settlement (Ku-langsu) at Amoy reported to the Opium Advisory Committee that little or no efficient control over the sale or use of opium or narcotic drugs existed in neighboring areas of China, and in consequence co-operation in this section of Fukien was impossible.

In North China, during the five years from 1932 to 1937 when the Japanese Army was extending its influence south of the Great Wall, Korean drug peddlers were extremely active, particularly in the part of Hopei province demilitarized by the Tangku Truce and in the Tientsin-Peking area. The chaotic political situation in Hopei and Chahar and the establishment of an autonomous regime in East Hopei facilitated immense smuggling operations in all kinds of Japanese goods during the spring and summer of 1936.

The subsequent breakdown in the Chinese customs administration opened the way for an immense traffic in narcotic drugs from Dairen and Manchukuo. The British government was finally moved to protest. Although diplomatic notes were exchanged by the Japanese and British Governments with a view to joint action against drug smuggling, the situation deteriorated.

During these years, the Japanese Concession in Tientsin became the headquarters for a vast opium and narcotic drug industry. Whole sections of the Concession, particularly along Hashidate Street, were honeycombed with narcotic drug dens and small laboratories manufacturing various types of heroin powder and cigarettes. Three large hotels in the Concession were reported to have housed 120 smoking and selling joints. Opium and heroin could be obtained in literally hundreds of *yang hongs* ("foreign shops") throughout the Concession, and peddlers and hustlers for opium dives plied their trade openly along the streets.

By 1937 fully one-tenth of the population of Tientsin was addicted to narcotic drugs and the numbers increased daily. Idleness, begging and crime were observed on every hand. Heroin derelicts were picked up off the streets and a number of corpses, fished out of the river in the summer of that year, were reported to be deceased addicts. One investigator reported addiction among the educated and well-to-do Chinese of the city, but the majority of consumers were low-paid laborers, coolies and beggars. Since heroin was sold so cheaply and could be used without detection, many former opium smokers took up the heroin habit. An addict received more satisfaction from a dollar spent in heroin than in consuming three dollars' worth of prepared opium. In some dens in the Japanese Concession two dollars spent on narcotics entitled a customer to remain overnight.

Several large exporting drug rings also operated in the Japanese Concession. The Sung Syndicate imported opium from Jehol, manufactured morphine and heroin and supplied Korean retailers from its base in the Concession. The Chen Syndicate specialized in exporting drugs to Shanghai,

whence they were smuggled to other parts of the world. In order to obtain the protection afforded by Japanese extraterritoriality, the majority of these drug syndicates, manufacturers and wholesalers were registered as Japanese firms. In almost all cases, however, they were owned and managed by Chinese. Although the retail drug traffic was almost entirely in the hands of Japanese nationals, Japanese financial interest in the wholesale narcotic business in Tientsin was negligible.

The smuggling of drugs out of Tientsin was carried on by all nationalities. Two suitcases successfully delivered in Shanghai were reputed to net the traveler \$1,400. Since the Chinese were more liable to be searched and the penalties were more severe, foreigners were sometimes employed to take suitcases from the train to a rendezvous in the city. Drugs moving in the Hopei region were often hijacked by rival rings and roaming brigands. Protection was usually required from various military garrisons. The road between Tangshan and Tientsin was a notorious route for opium shipments and the scene of numerous hijacking operations.

In Peking seventy drug "joints," exclusive of the government *hongs*, located mostly near the Japanese Legation Guard in the East City, supplied some 60,000 drug addicts. A raid by municipal police in January 1936 resulted in the arrest of 654 persons in the Chinese section of Peking, including Japanese, Koreans and Formosans. A dozen houses were found to be run by Japanese subjects, who had obtained opium from dealers representing the Manchukuoan Opium Monopoly in Jehol. Peking officials continually asserted that Korean dealers were responsible for the tremendous spread of the drug habit in the city.

The situation during the three years 1933-36 in the so-called "demilitarized zone" between Hopei province and Manchukuo was described as a vast drug reservoir for North China. Hundreds of drug shops had sprung up, which were supplied by salesmen smuggling drugs in from Manchukuo in junks and by rail through the border cities of Chinwangtao and Shanhaikuan. These shops were nearly all run by Japanese and Koreans. A taste of heroin was often

given away as an advertisement or sold as a cure for tuberculosis at so-called medical clinics set up at fairs. One British investigator claimed to have counted 131 morphine and heroin shops in the Changli district alone. In Tientsin over 200 dens sold drugs openly and it was reported in Tientsin that the largest heroin plant in the world operated within its walls. Kuyeh had 20 shops, Lanhsien 104, and Shantien 50. The Chinese representative told the members of the Opium Advisory Committee that he possessed the addresses of 498 drug establishments operating in this province of Hopei. Peddlers had also penetrated Shantung, Shansi, Chahar and Suiyuan in great numbers.

The Japanese representative on the Opium Advisory Committee contended, with some justification, that Japan received no co-operation from the Chinese authorities, that it has no control over the Koreans of North China and that, inasmuch as the friction between Japanese and Chinese authorities outside the concessions enables the traffickers to play one against the other, the policing problem was a difficult one. On the other hand, backed by the Kwantung army, the Japanese and Korean traffickers openly challenged the Chinese police authorities and resisted with arms any interference in their trade, while they enjoyed lenient penalties when apprehended by their own authorities.

It must thus be concluded that before the outbreak of war between China and Japan in the summer of 1937, the Central Government was making sincere and effective efforts to eradicate opium from the country particularly in respect to opium cultivation. On the other hand, the profits involved from the legalized sale of opium to addicts was a corrupting influence on provincial and municipal governments. Furthermore, Japan's official apathy in preventing the illicit trafficking in narcotic drugs by its nationals in Fukien and North China was greatly hampering China's campaign. Although some diminution in opium smoking had been reported, the abuse of narcotic drugs was increasing. Japan's attitude toward the spread of narcotics in China during this period has undoubtedly aggravated the enmity most Chinese have felt for Japan during recent years.

CHAPTER IV

OPIUM AND NARCOTIC DRUGS IN CHINA SINCE THE JAPANESE INVASION

The outbreak of the war between China and Japan in the summer of 1937 abruptly interrupted progress toward the goal of opium suppression. In the ensuing chaotic conditions resulting from the invasion of North and Central China by the Japanese armies, practically all enforcement of opium laws was abandoned. As the Nanking government withdrew into the interior and the Japanese army effectively occupied the coastal areas, the sale of opium gradually fell into the hands of Japanese agents. Since that time the consumption of opium in occupied China has not only ceased to be controlled, but has been actually encouraged. Meanwhile the open sale of morphine and heroin is making thousands of new drug addicts. Most ominous, however, is the ever increasing use of opium revenues to support the Japanese inspired regimes.

In assessing the present state of narcotic addiction in China as a whole since the outbreak of war in the summer of 1937, it should be recognized that normal conditions by no means prevail and can hardly exist while a state of war continues. It has been customary in the past to differentiate between those areas actually under the jurisdiction of the Chinese National Government and those parts of China which either possessed extra-territorial rights or had fallen under Japanese influence or control. In the present unsettled state of China, it is still necessary to follow this differentiation, for although individuals and groups of racketeers of both nationalities traffic in narcotics, the effective authority of a region must assume the ultimate responsibility for a given situation.

Free China

As has been previously stated, the seriousness and sincerity of China's six-year opium suppression campaign were not recognized by impartial observers until three years after its inauguration. The United States representative noted in the Opium Advisory Committee meeting of 1937 that "in the provinces of China where there was no Japanese influence a sincere effort had been made to reduce the production of raw opium and this effort had met with surprising success . . ." and that "the production for the crop-year 1936-7 had been reduced in Yunnan and Szechuan by about 50%." The same progress was noted the following year. In reporting for the year 1938 in the 1939 meeting of the Opium Advisory Committee, the Chinese delegate again contended that poppy cultivation was everywhere being abolished and displaced by other crops.¹

Actual figures on poppy cultivation in China from other than Chinese sources are nowhere available. There are other considerations, however, which tend to make the recent statistics of the Chinese government acceptable to impartial observers. First, there seems no very great reason to doubt the sincerity of China's campaign to rid itself of the scourge of opium, inasmuch as through the New Life Movement it has become an integral part of the resurgence of Chinese nationalism. Since the invasion by Japan opium has

¹ The official report of the Chinese government, which describes poppy conditions at the end of 1937, gives the following information:

Total area: 25,803 hectares (excepting Ninghsia)

Total production: for provinces of Szechuan, Yunnan, Kweichow, Shensi and Kansu: 890,830 kg.

Licenses issued for cultivation, 1937, to persons authorized to cultivate poppy: for Szechuan, 344,364; for Shensi, 78,536 (for spring crop); for Kweichow, 27,618.

Production would be prohibited in Kansu and Ninghsia in 1938 in order to raise grain, kao-liang and beans. Poppy growing was unpopular with farmers in Ninghsia, while the government in Kansu was taking active steps to increase cotton plantations. Cotton was being substituted for poppies in Shensi.

In Yunnan, however, suppression had been retarded because of a lack of control over aboriginal tribes in the frontier and border regions. Eighteen *hsiens* where poppies were supposed to have been prohibited received two year extensions. Twenty-two *hsiens* in Kweichow were still producing opium at the end of 1938.

been more than ever an enemy of the Chinese people, for its excessive use not only robs them of the will to resist the Japanese, but its cultivation replaces the food crops necessary for carrying out a prolonged war. Although opium taxation of all kinds has always played a large part in the national and provincial revenues and the war needs have made such revenues even more important, the Chinese government in war time can command all the resources of millions of the people in Free China. Consequently, opium revenues are now no longer as important to the national treasury.

In spite of certain exaggerations in official reports, the suppression of opium cultivation in Free China has proceeded so fast that in 1938 only two *hsiens* in Szechuan, eleven in Kansu, twenty-two in Kweichow and fourteen in Yunnan were officially permitted to cultivate opium. In March of 1938 Chiang Kai-shek dispatched a telegram to provincial authorities in South China, ordering them to convert all poppy fields into food producing crops as soon as possible. At the beginning of 1939 it was reported by travelers in Szechuan, Yunnan and Kweichow provinces that rice and cotton were being cultivated in many areas which formerly produced opium. Fourteen districts of Yunnan around Kunming were still raising opium poppies in 1939, while a recent British source states that opium cultivation is still apparently flourishing on the western border of Shensi, northern Shensi, the entire central part of Suiyuan along the Hwang Ho river, southern Ninghsia around Liangchow, large areas in southern and central Kansu and parts of Szechuan around Chengtu. On June 4, 1939, however, Chiang Kai-shek again proclaimed 1940 as the deadline for complete cessation of poppy planting, with the death penalty for offenders. The government is now maintaining "poppy eradication units" in former poppy-growing areas to enforce this law, and offering substantial rewards for informers.

In the early stages of the war, the opium suppression committees and the control bureaus, set up under the Six-Year

Plan of Suppression, were transferred from the Military Affairs Commission to civil jurisdiction under the Executive Yuan. The president of the Yuan, Chiang Kai-shek, was named Inspector General of Opium Suppression. This change was merely for administrative convenience, since the Military Affairs Commission had become the National Defense Council.

On February 1, 1938, at the 348th meeting of the Executive Yuan, the Opium Suppression Supervisory Bureau was removed to the Ministry of Finance, while the General Association of Opium Suppression Committees became a part of the Ministry of Interior. The post of Inspector-General was abolished and the government's Special Commissioners for Opium in the provinces were forced to relinquish their duties to the Commissioners of Civil Affairs. The return of opium suppression and opium revenue collection to civil jurisdiction was necessitated by the war and the need to reduce expenses. Suppression has now become the charge of the Ministry of Interior in Chungking, while taxation of opium and its sale has been taken over by the Finance Ministry.

Although the work of opium suppression has thus apparently been curtailed and opium revenues been absorbed into the national budget, there is every indication that the government will push its anti-opium campaign to its ultimate conclusion, not only in Free China but among Chinese populations elsewhere. On July 4, 1939, the government moved to prevent the hoarding of opium by farmers in the provinces of Szechuan, Sikang and Kweichow. Raw opium was regarded as contraband. Heavy penalties by military courts were meted out to anyone possessing or trafficking in opium. Farmers were required to sell all opium to the government at a fixed price, while the price of opium sold to registered smokers was not to exceed the price fixed by the government as of November 7, 1938.

In order to attract opium smokers into government registration, free licenses were offered. Once registered they were forced to undergo treatment according to their ages. In-

creasing poverty and the rising price of opium, however, have forced many to give up smoking. The Szechuan Provincial Opium Suppression Commission has made strenuous efforts to rid the province of addicts, since this region is now the backbone of Free China. Some have been jailed in order to break them of the habit, while others have been entrusted to family or village groups, who must assume responsibility for their cure. Since July 1, 1939, no smoking has been permitted in Chungking, and on October 3, 1940, 3,000 sets of opium smoking paraphernalia were burnt before the public in Shao Cheng Park.

The government report for the year 1939 shows that registered opium consumers number 4,160,285, but the number of those unregistered may run the total up to six million. It is extremely doubtful if the government can make much progress at the present time toward curing these addicts other than by persuading them to undergo cures at home. Although the dis-intoxication hospitals, which were active and partially effective before the war, have been evacuated or converted into hospitals for war casualties, the stronger addicts have been organized into road gangs, while others have been evacuated to the country. Of the 3,000 addicts remaining in Chengtu at the beginning of 1940, 2,100 were arrested and sent to hospitals and detention houses.

The six-year plan for opium suppression terminated January 1, 1941. Generalissimo Chiang Kai-shek in a statement circulated throughout Free China warned against all further indulgence in opium. On February 19, 1941, the provincial regulations on penal offenses relating to suppression of opium and narcotics were promulgated.² These laws now in force are the most rigorous ever enacted. The death penalty is decreed for all persons cultivating poppies and manufacturing opium or narcotics, and for transporting or offering narcotics for sale. Narcotic drug users are to be shot if apprehended taking injections or smoking heroin pills, while

² See Annex I, p. 184, for full text.

opium smokers are to be sentenced to imprisonment for terms of one to five years. Penalties equally severe are imposed on other types of narcotic law offenders. Even those instigating or encouraging resistance against the uprooting of poppies are subject to life imprisonment or execution.

On paper then, China has now completed the campaign against opium addiction. Nevertheless, several million addicts are still uncured and Chinese authorities are unduly optimistic to believe that these inveterate smokers will give up the habit as long as there remains any possibility of access to opium or the drugs which are a stronger substitute for it. In the last year for which statistics are available, 313 cases of illicit cultivation were discovered, while in 10 provinces and 3 municipalities 32,932 persons were convicted for opium offenses, 4,464 for narcotic crimes. As older addicts die off and as the supply of opium becomes scarcer, the number of addicts should diminish rapidly; but at the present time an illicit traffic in opium flourishes in proportion to the distance from Chungking.

The clandestine production occurs in the frontier districts as well as in such remote provinces as Sikang and Kansu. Such cultivation will be almost impossible to stamp out as long as any demand remains. Opium from Japanese occupied China, which had previously been cleared of poppies, seeps into Free China areas. Nevertheless, the most important accomplishment of the six-year campaign has been the virtual elimination of opium growing in the provinces and districts where once it flourished most abundantly. If recrudescence can now be prevented in Szechuan, Yunnan and the other large opium producing provinces, China's struggle to free itself from opium will be largely won.

The narcotic drug problem in the areas now comprising Free China has never been as serious a problem as opium smoking. Drug addiction flourishes mostly in commercial ports and industrial regions. This section of China is now under the jurisdiction of the Japanese government, whether it be puppet regimes or military garrisons.

Occupied China

There is no doubt that both opium smoking and drug addiction have increased in occupied China, while there has been a recrudescence of poppy cultivation in provinces where it had previously been eradicated. Many Chinese in the occupied areas, no longer in touch with the Chungking government and the New Life Movement, have reverted to narcotics. Moreover, the wave of pessimism and despair which has naturally accompanied the destruction of their homes and villages, has driven others to seek consolation and forgetfulness in narcotics. As a result of this re-enforced desire for drugs, coupled with the ease with which they are obtained from Japanese traffickers, a large section of China's population is again sinking into a slough of opiate addiction.

In Tientsin just previous to the outbreak of the war, Japanese consular police had carried out several large narcotic raids in the Japanese Concession. Many of the clandestine laboratories, which had in the past been producing unlimited quantities of narcotic pills, were discovered. Several hundreds of traffickers were arrested and deported, and a few large buildings which had housed opium dens were razed. The announcement was made on October 1, 1938, that all opium dens in the Concession had been closed. Although this house cleaning may only have been window dressing for the benefit of the Opium Advisory Committee which had been closely watching the situation in this region, it has been reported that no more large dens now exist, and that the powerful Chen drug syndicate has moved to Shanghai. The United States government representatives in Geneva and the Municipal Police Report of the British Concession, however, both stated that small opium dens still flourished, though mostly in areas outside the Concession. The former reported that at least five hundred were thought to be operating in areas controlled by the Japanese, and even further out in the country. One reliable source reported that a factory for the manufacture of narcotics has been

operating in conjunction with military officials in the Japanese Concession near Akashi and Fishima Roads. Substantial evidence exists that there are others.

In Peking the situation is equally bad. The Japanese population of the city increased from 2,000 to 30,000 after the occupation of North China. The regulations of the Chinese national government were immediately rescinded and a number of imprisoned drug addicts and peddlers released. Small business men and gangsters, geishas and prostitutes, opium dealers and drug peddlers poured into this district of Hopei. A number of brothels and cabarets sprang up in the Japanese quarter of the city. Most of these places have now become centers of addiction, for both Chinese and Japanese. Even government officials have been observed openly patronizing the Hopei opium dens. Heroin purchased in Tientsin is peddled throughout the city by bicycle and ricksha and sold for as little as 10¢ a packet. So-called medicine sellers call from house to house offering pills containing narcotics as a cure for feminine disorders. Smoking equipment is on sale at most markets and bazaars, and according to one investigator of conditions in 1940, the heavy sickly smell of opium is recognizable in almost all quarters of the city.

Retail opium shops (*t'u-tien*), bearing such names as "Prosperity" or "Good Fortune," supply the drug for home consumption. Other shops or dens (*t'u-kao*) afford divans for smoking, and outnumber the former 5 to 1. The most recent estimate of the number of dens and shops in the North China region has been made by calculating the yield of the "opium suppression" tax levied on all registered shops and dens by the Consolidated Tax Bureau. This calculation reveals that probably 1,000 dens and 200 shops were operating during 1940 in this area. Peking was found to have 305 dens and 61 shops; Tientsin, 195 dens and 39 shops; Tangshan, 115 dens and 25 shops.

Other sources substantiate this estimate. The China Problems Research Institute indicates that 35% of all capital invested in new business in Tientsin went toward setting up new opium shops and dens. In the Opium Advisory

Committee meetings the number was set as high as 500 for Peking alone.

The sale of opium is closely supervised by the government of North China, solely for the purpose of safeguarding opium revenues. On May 30, 1938, "a welfare tax" of 20 cents per ounce was levied on all new opium sold in registered shops, and the opium smoking dens were required to have financial backing of at least \$1,000. Monthly taxes are levied by the Consolidated Tax Bureau according to capitalization.

The distribution of the raw opium to retailers is an even tighter monopoly. On October 1, 1940, the North China Political Affairs Commission, the puppet government of Wang I-tang, set up a super Suppression Bureau for the purpose of consolidating all opium traffic. The North China Dealers Association has also been organized to effect a stricter control over the trade. The Dealers Association has been capitalized at F.R.B.³ \$10,000,000 and each opium shop is required to subscribe to a certain number of shares in order to operate. All raw opium is bought through the Association, which makes a tidy profit on such transactions.

The North China Opium Suppression Bureau has nine branches, in Peking, Tientsin, Tsinan, Tsingtao, Shihmen, Kaifeng, Chefoo, Tsiyuan and Tangshan. Its operating personnel is all Japanese and it is reported that profits are shared with the Japanese military. The Bureau buys opium from the producing monopoly in Inner Mongolia, sells it to the Dealers Association, which in turn resells it to the larger licensed shops. These shops distribute it to smoking dens, retailers and addicts. The number of hands through which the raw opium has to pass naturally increases the total profits. The opium is bought at around F.R.B. \$13.50 per ounce, while the addict is currently paying \$22.00, the difference being split between the various wholesale and retail agencies.

The regulation of the opium traffic extends even to the individual addict. According to the most recent laws, Octo-

³ "Federal Reserve Bank" dollars, at present worth about 6¢, U. S. currency.

ber 1, 1940, each smoker must pay a monthly registration tax and report to the authorities the amount of his daily consumption. Illicit purchases of opium are thus prevented, to some extent, by requiring each addict to purchase daily from the registered dealers the amount which he has reported as his regular consumption. At the present time the sole restraint on opium smoking in North China is the price. The registration tax of from \$1 to \$3 monthly plus the high cost of the opium has had the effect of forcing some addicts to quit, although others have merely turned to the cheaper form of addiction—heroin. Although the registration of smokers and the sale of permits are strictly regulated with severe fines for failures, such measures are apparently only designed to control the trade to the advantage of the tax collector and selling syndicates.

The most discouraging factor in the situation in North China, however, is the replanting of poppies. The increased cultivation in Hopei, Chahar, Shantung and Shensi, although curtailed periodically by the forays of the guerrilla bands, will encourage addiction, aggravate political corruption and create the large surpluses which have in the past seeped out into the rest of the world. Until recently, North China received its opium from Manchuria, mostly Jehol grown, while within the past few years Inner Mongolia has become the main supplier. Now, however, it is apparently the avowed intention of the new North China Opium Suppression Bureau to allocate certain areas in Hopei, Chahar and Shantung where poppies can be grown upon the payment of a small fine or tax. Such a policy indicates that no attempt is being made to suppress addiction and is in glaring contrast with the efforts of the Chiang Kai-shek government, which is vigorously attacking the source of addiction—the poppy plant.

In general, very little opium has been produced in the five North China provinces under previous regimes. It is now reliably reported that poppies have reappeared on the central Shansi plain, in the region north of Peking and Tientsin, along the Peking-Paoting railway, and in certain

areas of Shantung near Weihsien and Tsingtao. Chinese guerrillas have uprooted poppies in some sections, threatening farmers who plant them. This has had the effect of stimulating production along the Japanese controlled railway zones and near villages and towns protected by the Japanese military. Fines, of course, are levied on opium producers, but only in Shantung have these been high enough to be restrictive. On the ground that small opium growers would starve to death if their crops were absolutely suppressed, the Hopei Provincial Government merely forced planters to register and pay a fine of \$12 per *mow*.⁴ Since the average yield per *mow* is around 30 ounces and currently worth \$300 when sold by the farmer, the "fine," when considered in relation to the net profits, is little more than a production tax. Fines for non-registered plots are higher, and have the effect of forcing all opium growers to register. Receipts are currently split between the Provincial Government and the police of the *hsien* concerned.

The largest opium producing area is now Inner Mongolia. Even before the conquest of this region by the Japanese, opium was cultivated extensively in Suiyuan as far north as the border of Outer Mongolia, in spite of the National Government's campaign to suppress it gradually by prohibition in limited areas. Opium from Northwest China, produced in quantity in Kansu, Ninghsia and North Shensi was accustomed to pass through Suiyuan in transit to North China. Ever since the Eighth Route Army has been active in these regions, however, the opium coming from the Northwest has been greatly reduced. Consequently, the opium now pouring into North China is either Suiyuan opium or opium recently grown in Chahar, where almost no production has occurred since 1906.

The political subdivision and control of Inner Mongolia ("Mengchiang") by the Kwantung army has therefore been accompanied by an increase in opium production, and by as much as 40 per cent according to one survey. Chinese

⁴ *Mow* = one sixth of an acre.

farmers were informed by the Japanese army officials in the spring of 1938 that the Central Government's restrictions on poppy planting were no longer in force and that they were free to plant as much as they pleased. In order to encourage production no rise in the tax rate for land under opium cultivation was promised for 1938. The following year, however, after orders had been issued that no decrease in opium acreage was to be allowed, the tax rate was raised.

The opium monopoly is handled by the Mongolian Opium Company, Ltd., which has been organized by the Japanese army for the benefit of the "Mongolian United Autonomous Government." With headquarters in Kalgan, capital of Chahar, the monopoly operates in many sections of Inner Mongolia as the exclusive purchaser and dispenser of opium to drug addicts.

In 1940 advance reports stated that opium poppies would be planted in an area extending from the Great Wall north to Dolonor. The Inner Mongolian opium law, which affects the three regional governments, has set the "suppression fine" at Y10 per mow for wet land, Y6 for dry land. Provision is made for a rebate in case of floods. According to the Bank of Lower Mongolia, opium exports were more than 40 per cent of total exports in 1938, and the floods of 1939 which destroyed part of the crop accounted for an unfavorable trade balance in 1939. Current production has been estimated at around ten million ounces, annually. The 1939 budget of North Shansi, for example, estimated an opium tax yield of Y4,320,000 in comparison to the Y2,400,000 collected in the previous year, an increase of almost 100 per cent. Even the manufacture of brown heroin ("baza") is reported in Inner Mongolia, particularly in and around Paotow and Kweisui. The establishment of a narcotic factory by Japanese nationals in Kalgan has often been rumored. Every current report from Inner Mongolia has indicated that this area is fast becoming the major source of opium in the Far East.

Farther south the problem is one of illicit traffic and

smuggling. The provinces of Shantung and Honan were evacuated by Japanese peddlers during the latter part of 1937, but they returned with the Japanese Army the following year. According to the report of the Chinese government for 1937, Japanese and Korean smugglers were still active in Honan, though they were now obtaining their narcotic supplies via Tsingtao, Pohsien and the Yellow River, or via Tsinanfu. The United States Government representative in 1939 received reports that in Tsinan, after the Japanese occupation, the Consolidated Tax Bureau was permitting the sale of opium publicly. By November 1938 there were 136 shops selling opium paste, while by March 1939, 15 shops were dealing in raw opium. In one month, January 1939, 141,904 taels of opium arrived from Peking, of which 24,304 were trans-shipped to the interior. The value of opium handled in Tsinan exceeded one million yuan⁵ per month in the early part of 1939, while as many as 5,000 peddlers of Japanese nationality are said to be still dealing in narcotics in and around Tsinan. Although this report appears somewhat exaggerated, it evidently has some foundation.

Some poppy cultivation has reappeared in Anhwei, Hupeh, Kiangsu and North Honan, where it had been successfully prohibited since 1935. A recent report states that 5,000 mow of poppies have been planted within 20 miles of Nanking. The Chinese representative in Geneva reported in the 1940 meeting of the Opium Advisory Committee that the Japanese were forcing farmers to sow poppies and had furnished the seed. He stated further that a special commission in Hankow had been appointed to extend and encourage opium production in Central China. During the latter part of 1939, in the district of Shuiyeh in Honan the "pacification detachment" of the Japanese army issued a communique complete with official seal, stating that seeds should be planted immediately and that the opium could be sold at harvest "freely and without restriction."

⁵ The Yuan or Chinese standard dollar (formerly known sometimes as the Mexican dollar) had an average "official" value of U. S. 30¢ in 1939 and an actual market value of 12 cents.

Shanghai

When the Japanese military forces attacked Shanghai in September 1937, the legalized opium shops were forced to move into the Nantao Refugee zone. Other hongs removed their stocks in small lots to the International Settlement and the French Concession. Japanese shipping ceased and the Japanese narcotic traffickers took cover. With the disruption of the opium supply lines from Nanking and Hankow and the disappearance of the smugglers, the price skyrocketed. After the invasion had passed over the city and moved further inland, smuggling from the coastal ports recommenced on a large scale. Several Chinese syndicates from Swatow, who had access to large stocks of Yunnan and Szechuan opium, were involved in this effort to supply the demands of the city's addicts. Several months later large seizures were made by the Maritime Customs, the information originating from Japanese sources. The failure of several large Chinese opium syndicates resulted and a number of the most prominent opium kings, such as Tu Yueh-sheng, moved to Hong Kong. With the powerful Chinese competitors out of the way, the Japanese smugglers became more active, and Jehol and Iranian opium appeared in the illicit market. Most of this opium came from Tientsin and Dairen by boat to Hongkew, where, according to statements made in Geneva, it was landed under the protection of army authorities.

During 1938 the Special Service Section of the Japanese army which is charged with local political relations and the enforcement of Japanese opium policy in China, attempted in vain to establish an opium monopoly in Shanghai. A bitter dispute arose between Japanese army and navy authorities over the right to collect revenues. Moreover, since the rich Chinese opium merchants, who alone possessed the capital and organization to administer a monopoly, had fled, only small traders remained to deal with the Japanese. A further effort was then made by the Japanese to turn the monopoly over to the puppet governments, thereby enabling them to escape the onus of open trafficking. Again a pro-

longed bicker ensued, this time between the Ta-Tao government in Shanghai and the Reformed Government in Nanking as to which authority should handle the city's opium distribution. From latest reports it appears that the monopoly is now being controlled by the Shanghai Co-ordination Office of the Asia Development Bureau. This agency, set up by Colonel Kusumoto, chief of the local political department, will function in much the same manner as the moribund municipal suppression committee and is apparently headed by a Mr. Suzuki. In the Chinese western district there are 6 central opium firms, 32 local hongs and about 50 retail shops. These firms are supplied daily with 3 cases of Iranian opium (one case contains 160 cakes of 4½ pounds each) in addition to the several cases which are smuggled into the foreign areas each night by means of motor cars under Japanese protection.

The Opium Hongs Union, an organization of Chinese opium dealers, and a secret Chinese organization, the Hung Chi Shang Tong, are now co-operating with this monopoly organization and are hoping to obtain from the Japanese government a guarantee of safe delivery of opium from Hongkew to firms in West Shanghai. In return the Union has agreed to pay fixed amounts to the puppet authorities, thus making it unnecessary for the Japanese supervisors to collect from individual hongs. Average monthly profits at the rate of 15 per cent of monthly sales of 150,000 taels is Y270,000. The net profit for the Japanese importers of opium (Jehol and Iranian), which is 50 per cent of gross, is estimated at Ch. \$1,170,000 per month for West Shanghai alone. The Opium Hongs Union was reputed to have paid the Japanese-controlled Reformed Government at Nanking Y1,200,000 to facilitate the passage of legislation legalizing the opium monopoly in the areas under its jurisdiction. Already plans have been drawn up for an opium monopoly in the provinces of Chekiang, Anhwei and Kiangsu, where a Formosan syndicate has recently secured the right to operate six first class hongs. It was reported from Shanghai on July 27, 1939, that in these three provinces 200 cases of

Iranian opium per month were being sold, and that Japanese agents are everywhere encouraging the farmers to re-plant poppies. Profits are to be split forty per cent to the local puppet government, sixty per cent to the Japanese.

Also in the International Settlement, according to a report of the Shanghai Municipal Council for the year 1940, addiction to opium has not declined although the volume of opium smuggling has recently decreased. During 1940, 2,546 persons were arrested for narcotic trafficking and addiction. Under the old Opium Suppression Bureau of the Nanking Government some 8 to 11 tons of opium weekly were accustomed to arrive by rail in Shanghai from Hankow to supply the city's addicts. Now that this source has been cut off from the many thousands of addicts who have poured into the Settlement, smuggling has naturally been stimulated, particularly in the Japanese controlled parts of the city. Hongkew has been the distributing point, since vessels berthing in this section from Hongkong and Macao and from Tientsin and Dairen are not inspected by Chinese Maritime officials. The Western area of Shanghai, the so-called "badlands," abounds in opium hongs, dens and gambling establishments which dispense opium to their patrons. The Shanghai Municipal Police are supposed to police this area, but their jurisdiction is being continually challenged by the Japanese army constables and the police of the Ta-Tao government. In the Jessfield village area 34 known opium dens were listed in March 1939 by the *North China Daily News*. Most of the criminal activity of Shanghai is now concentrated in this section.

Heroin addiction, on the other hand, is still confined to the coolie class and the drug is only found in highly adulterated form. It is often smoked in the end of an ordinary cigarette or mixed with pipe tobacco. Since an addict need not resort to a den to consume the drug, the use of heroin is difficult to detect. According to the Settlement police, in 1940 most of the heroin originated in Hongkew and was being peddled by Koreans; but the amount circulating for local consumption decreased markedly. Red heroin pills,

at one time the most popular and cheapest form of the drug, were practically unobtainable during 1939 and 1940.

Central China

Since the advance of the Japanese army up the Yangtze River, the area in the hinterland of Shanghai, west to Hankow, has experienced a deluge of narcotic drugs and opium. Chaotic wartime conditions, the horde of Japanese carpetbaggers, camp followers and prostitutes who traveled in the wake of the army, and the demoralization of the Chinese people are the major causes. The area around Nanking and the city itself had formerly been almost entirely free from opium. Since the Japanese occupation more addiction has occurred in Nanking than in any other city in China. A description of the situation existing in the Shanghai-Hang-chow-Nanking triangle as of March 1938 by an independent British correspondent (see Annex I) has been substantiated by other sources, such as the investigation made in Nanking in the autumn of 1938 and again in 1939 by Dr. M. S. Bates, an American missionary educator, reports of which were published in the foreign language press of Shanghai and later in the American newspapers. Impartial observers of the Japanese occupation of Nanking have been unanimous in their corroboration of the situation as Dr. Bates has described it. (See Annex II.)

The puppet government in Nanking, now headed by Wang Ching-wei has set up an "Opium Suppression Bureau," which functions in much the same way as the "Suppression by taxation" regimes of the nineteen-twenties. The major purpose is revenue, and there seems little reason to doubt that at least one-third of the income of the Wang Ching-wei government is derived at the present time from the sale of opium. The monthly "tax" on opium sales in the three provinces of Anhwei, Chekiang and Kiangsu has been put at Ch. \$3,000,000. Since the Suppression Bureau imported opium from Dairen at a delivered price of \$10 an ounce and sold it wholesale at \$19, profits on the sale were enormous. The Bates report estimated that a million ounces

were sold monthly during this period in the three provinces of the lower Yangtze.

The daily retail sale of opium in Nanking alone is reported to have reached 3,000 ounces or \$66,000 at current prices of \$37 to \$40 an ounce in 1941. Opium is sold through government stores to small opium dens, brothels and hotels, which pay license fees. These dens of which there were 173 licensed in 1939, handle both government and illicit opium, and no check on their retail sales is being kept. Destitute Chinese women have been found peddling opium, and another report states that Japanese civilians have often distributed opium in lieu of wages to Chinese laborers.

During the early days of the occupation of Nanking, the open sale of heroin and the widespread abuse of the drug reached shocking proportions. The traffic in narcotics is now semi-clandestine and the police are active in rounding up numbers of heroin addicts, though the motive may be extortion.

The drug is retailed in and around the city by the lowest types of Japanese camp followers and prostitutes. The harmful effects of heroin addiction are everywhere evident, and some estimates of the number of addicts are as high as fifty thousand. The bulk of the heroin is reported to be coming over the Tientsin-Pukow railway from Dairen and Tientsin, Japanese gangsters bringing in the drug with little or no resistance from Japanese authorities, who maintain a rigid military control over communications in this region. Since this traffic cannot have escaped the observation of military officials, the Japanese army is obviously affording it protection, and more than likely receiving high fees for the service.

In other cities of Occupied China opium and narcotic drugs of Japanese and Manchurian origin are being distributed by both Japanese and Chinese peddlers. Drug consumption is now frequently connected with prostitution, and the brothels run for Japanese soldiers are becoming centers of addiction. Observers have recently reported that

an increasing number of Japanese nationals are becoming addicted.

One survey taken late in 1938 by a group of twenty foreigners, disclosed that crime, prostitution, gambling and opium were flourishing in Soochow, Hangchow, Chengchow, Chinkiang, Wuhu, Kaifeng, Hankow and Canton. Five hundred dens were reported in Soochow, where opium had become the main source of revenue. Hangchow is wide open, and the municipal government has become closely allied to large opium dealers. In Canton, although the opium was offered freely and at low prices, sales at that time were small since only the very destitute still remained in the city. Now, however, a recent report maintains that there are 852 registered dens and numerous other small holes in the wall selling drugs and opium dross to coolies. Iranian opium is abundant and poppies are said to be reappearing in the fields around the city.

In Hankow the narcotic trade flourishes. At the outbreak of the conflict after the Japanese had evacuated the city, Chinese officials searched seventeen houses in the Japanese Concession and found conclusive evidence that a large clandestine manufacture of morphine pills and heroin had been carried on for several years. Remnants of drugs, bottles, pots and other utensils for converting opium into crude morphine were discovered in artificial walls and secret closets. The cleanup was short-lived, however, for after the Japanese occupation of the city heroin and morphine were obtainable everywhere. Three hundred and forty opium dens and thirty-two wholesale stores have lately been reported catering to an increasing number of smokers. Sales run as high as 4,000 ounces daily, while it is estimated that there are 50,000 unlicensed smokers in addition to the 5,000 now licensed to smoke. Fifty large hotels, each containing fifty beds, are now in operation. Under the local puppet government of Mayor Chang Jen-li and previously under the "Wuhan Peace Maintenance Association," an "Opium Suppression Bureau" was profiting at the rate of a million dollars a month in 1938. The so-called suppression work of the

Hankow government will more than likely be consolidated with the Bureau set up under the auspices of the Asia Development Board in the lower Yangtze Region.

In Amoy, province of Fukien, according to the Chinese representative's latest report to the Opium Advisory Committee in Geneva, 16 opium shops and 80 smoking dens are being operated by the Japanese. There were 4 stores and 33 dens in the suburbs. The profits of the Amoy monopoly were said to be divided among the Japanese navy, the Japanese consulate and the officials of the puppet regime in Fukien.

That a large scale consolidation of all opium activities in Occupied China, suppression or otherwise, is soon to be attempted is evidenced by reports of conferences being held by the delegates of the various monopolistic Bureaus. An "Eastern Asia Anti-Opium Bureau" to comprise North and Central China, Manchukuo and Mengchiang (Inner Mongolia) is an eventual possibility. The Peking press commented that a meeting was to be held in February of 1941, to set up such a system, but at this writing no reports of such a conference have been available. As long as profit remains the major motive in such consolidations, and as long as opium profits are needed to support the puppet regimes, no optimistic attitude can be maintained as to the results.

It must be concluded from the evidence at hand that since the occupation of large sections of the country by the Japanese army the Chinese people are again reverting to opium and drugs, particularly in North China along the coast as far south as Canton. For the second time China has been on the verge of purging itself of the opium and drug habit. In 1917 success was well within its grasp, but a deterioration in centralized government quickly brought about a reverse. During the twenties and early thirties, China wallowed in opium, and the immense revenues from the drug corrupted individuals and governments alike. The second sincere effort at opium suppression commenced in 1934 under the guidance of Chiang Kai-shek. Because this drive coincided with increased nationalistic sentiment throughout the country and was supported by a patriotic New Life

Movement, opium suppression again became a real possibility, as the eradication of the poppy plant from many provinces was effected.

The invasion by Japan has now nullified all the progress made by the Chiang Kai-shek regime. Only in the interior provinces is there any evidence of opium suppression. Obviously, the wartime conditions have not only hampered this work but also encouraged addiction. Wounded soldiers have naturally used drugs whenever available. The license and immorality which stalks in the wake of conquering armies has stimulated narcotic consumption; and many who had been cured have reverted to the habit, particularly in the parts of China occupied by Japan.

It can hardly be expected that the situation will improve while the policies of the Japanese army in the field are dominant. The Japanese army is the sole authority in occupied China. The Special Service Section, subordinate army officials and the Chinese officials of the puppet governments are all involved in the traffic and are profiting from it. In certain cases of espionage Chinese soldiers have been induced by narcotics to disclose military secrets and the location of air bases. The Special Service Section, which operates independently of the army, is active in all the cities of occupied China diverting opium profits to Japan or to the Japanese supported regimes. Junior officers of the army participate in "protective" activities, and profit, on the side, from extortion and bribery. One of the main financial supports of the municipal and provincial Japanese-controlled governments is now reported to be derived from the sale of opium.

While the Japanese army remains in China little social progress can be expected, since the welfare of the Chinese people is hardly a matter of present concern to an army of occupation. The army's attitude toward addiction among the Chinese is enlightening. The following excerpt has been taken from a handbook distributed to soldiers of the Kwantung army:

The use of narcotics is unworthy of a superior race like the Japanese. Only inferior races, races that are decadent like the Chinese, Europeans, and the East Indians, are addicted to the use of narcotics. This is why they are destined to become our servants and eventually disappear.

There is no doubt that the civil and liberal elements in Japan do not approve of the army's participation in the narcotic drug traffic. There are many critics outside Japan who will go so far as to state that in order to weaken the resistance of the Chinese people, the Japanese are deliberately poisoning them as a matter of high policy. There is, at present, no proof for the assertion that Japan and its army are actively encouraging addiction, even though widespread addiction has occurred in the wake of invasion and occupation. More just is the charge that the Japanese are countenancing the traffic and are creating a situation whereby opium is again becoming a large vested interest, not only to the benefit of groups of Japanese officials, but to the political regimes set up by the Japanese army.

CHAPTER V

SMUGGLING BASES—HONGKONG, MACAO AND KWANGCHOWWAN

Three territories, Hongkong, Macao and Kwangchowwan, similar in their geographical relation to China, and each the possession of a European power, have been and still are centers of a large illicit traffic in opium. The daily coming and going of large numbers of Chinese have made the prevention of smuggling exceedingly difficult. Hongkong authorities estimate that as many as 10,000 Chinese enter and leave the island daily, while an even larger number, living on boats and sampans, move with complete freedom. The permanent population of Macao numbers about 160,000 but in 1930 there were some two and one-half million visitors to the colony, many of whom were addicted to opium. Such a large transient population offers unlimited opportunities for the illicit consumption and trade in narcotics.

The monopoly system of opium control as practiced in other territories of European powers has completely failed to suppress the use of opium in these three areas. Inasmuch as the consumption of illicit opium is in excess of the legal opium sold by the government monopolies or regimes, no monopoly control within the meaning of the word can be said to exist.

For many years the opium record of Macao, the Portuguese colony near Hongkong, has been particularly unsavory. Up until July 1927 the opium trade in Macao was carried on under the farm system, which enabled syndicates of Chinese merchants to monopolize not only sales within the colony, but also the export of opium manufactured in Macao. As in other Far Eastern territories the farming system in Macao stimulated both consumption and smuggling,

since the large majority of the sales were made to illicit traffickers. Macao, therefore, became one of the main centers of international opium smuggling; and opium originating in the colony became notorious in the illicit trade all over the world.

As a result of the ratification by Portugal of the Geneva Opium Agreement of 1925, the farming system was abolished in 1927 and was replaced by a government opium monopoly. Its establishment, however, did not put a stop to the smuggling trade. In 1929, for instance, the authorities discovered a clandestine factory in Macao manufacturing prepared opium and using imitations of monopoly opium packings. This factory had apparently been operating for some considerable time. In May 1936 and in June 1938 the United States representative on the Opium Advisory Committee complained about the illicit traffic in opium in Macao, and requested information concerning the functioning of the opium monopoly, the exports of opium from Macao, and amounts of raw and prepared opium held as reserve stocks in the colony. The annual manufacture of prepared opium, as shown in the official statistics furnished by the Macao administration, had frequently exceeded the consumption. As these excess quantities did not appear in the reported stocks, a total of thirty-five tons had apparently disappeared over the course of seven years.

In his reply to the United States delegate, the Portuguese representative stated in 1936 that his government, which had for some time been dissatisfied with the operation of the Macao Opium Monopoly, had instituted an inquiry, the first results of which had been the seizure of a building and machinery destined for clandestine manufacture of morphine from the excess opium of the Opium Monopoly. Certain officials of the Monopoly were convicted of complicity and condemned to the maximum penalty. Others (the Director of Finances of Macao and the Administrator of the District of Kolowan) were dismissed by the Governor and expelled from the colony. The Governor of the colony himself was obliged to resign his post, and a

new Governor was appointed with instructions to take all necessary measures to place the administration of the Opium Monopoly on a sound basis. The Portuguese representative also undertook to place at the disposal of the Committee further information concerning the operation of the Opium Monopoly in Macao.

The situation, however, remained unchanged; in fact it even deteriorated. One important factor was Macao's continued dependence on opium revenues, lotteries and gambling. In 1938 fully two-thirds of the government's income was derived from such sources, 16 per cent from the sale of prepared opium alone to the colony's 30,000 addicts.

In addition to the declared importation into Macao of opium from Iran, it was stated in the 1939 Opium Advisory Committee meetings that much greater quantities were continually imported, either for the illegal manufacture of prepared opium or for re-export to certain Japanese interests. Two Japanese companies were said to have been implicated in the purchase of Iranian opium in Macao—the Mitsui Bussan Kaisha and the Osaka Shosen Kaisha. The Banco Nacional Ultramarino was supposed to have handled such transactions and acted as a storage depot. On April 3, 1938, a shipment of 1,100 chests of Iranian opium was landed at Hak Sha Wan near Macao from an armed Japanese vessel. For that matter, both British and Japanese steamers carry opium from Bushire in Iran to Macao. How much of this opium is covered by import certificates, and therefore legal imports, is not known. The United States representative estimated that according to information in his possession Macao had imported 3,300 chests of opium in 1938, mostly from Iran.¹

Meanwhile the Permanent Central Opium Board was watching and examining carefully the situation in Macao in its official capacity as a watchdog over centers of illicit traffic. On the basis of statistical returns furnished to the Board by the Portuguese government, the Board came to the conclusion that during the years 1929 to 1935 the manu-

¹ 72.7 kgs. to a chest—and about 13.7 chests to a ton.

facture of prepared opium was in excess of consumption by about 38 tons; the stocks of prepared opium at the beginning of 1936, however, amounted to about 4 tons only.

This and other facts which came to the knowledge of the Board, led it to the conclusion that the situation in Macao was still serious. At the Board's request the Portuguese government furnished written explanations and sent a special representative to the Board's meeting in June 1938, when the situation in Macao was considered. After a thorough examination of the explanations furnished, the Board asked the Portuguese representative to refer the matter to the personal attention of Dr. Salazar, the Prime Minister of Portugal. As a result of this action by the Board the Portuguese representative was able to declare at the Board's session several months later that in spite of reservations regarding some of the points raised by the Board Dr. Salazar was in agreement that the situation in Macao, despite the efforts of the Portuguese government, was not yet satisfactory and a strict inquiry should be made.

During the year 1939 the Board was kept informed of the situation, and has since received two interim reports indicating that despite the difficulties created by the outbreak of war in Europe the Portuguese government has been pursuing its efforts to organize the Opium Monopoly in such a way as to prevent any further abuses. In May 1940 both the Opium Advisory Committee and the Permanent Central Board heard statements from Portuguese representatives describing the various measures adopted by the Macao government for both supervising and combating the illicit traffic and drug addiction in the colony. Both bodies expressed in their reports the view that these measures hold out hopes for a steady improvement in the situation. However, measures of reform have been promised by the Portuguese government for many years. The measures adopted have never yet been effective. Such entrepôts as Macao are likely to become, during periods of war, even more dangerous centers of illicit traffic.

Kwangchowwan, a French leased territory on the

southern coast of China, has also become in recent years a source of illicitly-sold, prepared opium.

An Opium Régie, established in 1930, retains the monopoly on the importation of raw opium, but it permits certain licensed manufacturers within the colony to prepare opium for retail sale. A number of five tael tins bearing the Régie stamp have been seized by United States narcotic agents. In 1939 the following brands were turned up: "Lam Kee," "Lu Fook Kee," "Yick Kee," and "Lem Kee Ying," all of which are blends of Iranian and Chinese opium.

Because of the large transient Chinese population, no registration, licensing, or rationing of opium smokers has been attempted. The revenue collected from opium sales is not declared as a separate item in the general accounts of Indo-China. Since there are some 20,000 smokers, at least half of whom consume opium imported by the Régie, it must be assumed that opium profits are considerable.

The government of Hongkong has also found it extremely difficult to curtail the use of opium. Such registration and rationing measures as exist in other British colonies have been found impractical, in view of the transient quality of the population. Although a monopoly exists for the sale of opium to addicts, no controls have been applied to individual smokers. At the present time the ordinary grade of smoking opium is retailed by licensed and salaried venders, who must sell at a price fixed by the monopoly, and who receive no commission on their sales. No licensed or government smoking establishments exist.

Such a meager control over opium smoking has resulted in a marked decrease in the consumption of government opium. In 1926 the consumption was reported as being 7,379 kilograms as compared to 1938 when little less than one ton (948 kilograms) was consumed, a decrease of 87 per cent. This extraordinary decline has been attributed to the prevalence of the illicit traffic, which is estimated by the colonial authorities themselves to result in the consumption of 50,000 kilograms a year.

Since the monopoly is ineffective, and control measures

are not serving to decrease or suppress the use of opium, the government of Hongkong lays itself open to the charge of profiteering from the opium vice. Consequently, the monopoly exists apparently only for the purpose of providing an easy source of revenue. Although profits are not a part of the operating budgets of the colony, they have been applied to such public expenditures as health improvement. Lately, however, because so few of the colony smokers are consuming government opium, the monopoly is operating on a deficit basis.

For several years the losing battle which the colony's preventive forces have been waging against opium smuggling and heroin pill addiction has been watched with concern by the United States and Canada. The smoking opium seized in the United States during recent years has originated in Kwangchowwan, Macao, and Hongkong. During 1938, 56 per cent of these opium seizures pointed to Hongkong as the port of shipment. The Hongkong Government in its official report on the traffic in prepared opium for 1938 has openly admitted that the colony is the center of a highly organized international traffic in opium, and that "the cost of fighting this traffic is an all too severe drain on the local domestic resources."

In the most recent meeting of the Opium Advisory Committee, the United States Commissioner of Narcotics noted that there were 40,000 smoking opium and 24,000 heroin addicts in Hongkong who were being supplied by the illicit traffic. On the other hand, the colony's opium monopoly had but 840 clients for the prepared opium sold by government-registered shops. The Hongkong opium monopoly could thus hardly claim to be functioning as a suppression monopoly, as the Canadian delegate put it, when it supplied but four per cent of the opium used by the Colony's addicts.

This breakdown of narcotic control is excused by the British authorities on the ground that Hongkong is the largest free port and most important point of contact for European shipping in the Far East. Furthermore, they contend that the local population is mostly indifferent to opium

amelioration work and that the preventive services are hampered by the great number of opium smokers and drug addicts residing in the colony. Most observers agree that because of its geographical position the task of preventing smuggling to and from the colony is a staggering one. Moreover, at the time of Japan's southern invasion the great influx of refugees, among whom were many opium smokers and wealthy opium racketeers, aggravated the situation.

The monopoly sells three tins of Singapore-prepared opium for HK\$80 when the same amount of smoking opium may be bought in the illicit market for HK\$23. Consequently, government sales have dwindled to the point where fewer than 100 smokers are regular purchasers. Moreover, the cost of jailing the convicted offenders of opium laws is excessive. In 1938 there were 3,499 persons imprisoned for opium and dangerous drug offenses. During the same year, over 3,700 opium pipes, 5,900 heroin pill pipes and 6,400 opium lamps were seized. Over a ton of raw opium and 483 kgs. of prepared opium were confiscated. Heroin pill addiction is another serious menace. In 1938 over 4,700,000 heroin pills were seized in 671 cases. The Dangerous Drugs Ordinance of 1935 was amended in 1938 to make the smoking of heroin pills illegal. There are still some 25,000 heroin pill addicts, however, who consume daily a total of at least 300,000 pills, either openly in cigarettes or in pipes supplied by the many hundreds of clandestine divans. There has been no evidence as yet, however, that there is any import or export trade in heroin pills. Pill factories exist for local consumption only.

The value of opium smuggled into and through Hongkong, mostly from Macao and Kwangchowwan, may amount to as much as ten million dollars (Chinese) monthly. The profits made in smuggling enable traffickers to offer large bribes for protection. One noted opium king in Hongkong, Chui Kung Tao, is reported to have paid out as much as Ch.\$2,000,000 per month to protect large smuggling syndicates, which in turn contribute Ch.\$0.30 a tael for the safe transit of their opium.

The opium for illegal export is of higher quality and is packed exclusively in $5\frac{1}{2}$ tael tins, worth HK\$50 in Hongkong and U.S.\$500 in the United States. From Hongkong smuggled opium moves northward to Shanghai, particularly on boats berthing at Hongkew. Since almost all steamers bound for the United States or Europe touch at one or both of these ports, international smugglers have unlimited opportunities to transport their drugs.

In order to attract opium smokers to consume government opium, it appears feasible for the monopoly to reduce the price. Although increased sale and revenues would result, it would have the effect of removing the demand for cheap illicit supplies. If the increased profits are then employed in strengthening the preventive services, a further check on the illicit traffic might be possible. The adjustment of the price of the monopoly opium was embodied in the recommendations of Leonard Lyall, British assessor on the Opium Advisory Committee in the course of the Committee's sessions in 1926. In spite of the success this principle has apparently had in Formosa,² it has not yet been adopted in other colonies.

² Cf. Chapter VII.

CHAPTER VI

NARCOTICS IN JAPAN

Japan's attitude toward narcotic addiction is not unlike that of other countries; its main interest is self-protection. Its own citizens and its subject nationalities in Chosen and Formosa are well protected from narcotic addiction by strict laws and conscientious enforcement. Opium smoking is forbidden, except in the Kwantung Leased Territory and in Formosa. According to official Japanese information, forty years of monopoly control have apparently succeeded in reducing the number of Formosan addicts to less than one-half of one per cent of the population. On the other hand, it seems that Japan is completely indifferent to addiction among its neighbors, the Chinese. It has shown such apathy in restraining its nationals from trading in opium and narcotic drugs in China that the rest of the world has gained the impression that the Japanese not only condone the traffic but give it downright encouragement. Japan thus appears to have two opium policies—one as it concerns their own nationals, the other as it relates to the Chinese.

In its international opium relations as well, Japan seems to follow the same Dr. Jekyll and Mr. Hyde policy. In respect to police administration its officials co-operate with those of England and the United States to prevent illicit traffic. In 1936 Japan signed an agreement with Great Britain to that effect. Rigid inspection of all Japanese ships with ports of call outside the Far East has been maintained, and for three consecutive years no narcotic drugs have been seized on Japanese vessels by United States authorities. However, in March 1940 a substantial seizure of Japanese morphine was made in Vancouver, the first in several years. Until recently Japan's representatives have also been active members of the Opium Advisory Committee, and a Japa-

nese has been a member of the Permanent Central Opium Board. Japan is also a signatory of all the international drug conventions which have been concluded under the auspices of the League of Nations, as well as of the Hague Convention of 1912.

In contrast to these co-operative actions, the Japanese have apparently paid only lip service to their international obligations in China. Japan has failed to prevent the exportation of Japanese manufactured drugs to China in accordance with commitments under Article 15 of the Hague Convention of 1912. Tons of raw opium from Iran have been imported in Japanese ships into the Kwantung Leased Territory and from there into Manchuria. During the last few years it was reported in Geneva that Japanese ships have also landed huge quantities of Iranian opium in Shanghai itself, and in Macao, whence it was trans-shipped to the mainland. With the exception of the illicit imports into China, for which they have disclaimed any responsibility, the Japanese government has insisted on the legality of all these importations, asserting that the necessary import and export certificates have always been supplied in accordance with the Geneva Convention of 1925. Nevertheless, when such an enormous traffic is regarded in its larger aspect, it is apparent that Japan violates the letter as well as the spirit of the Hague Convention.¹

The Japanese had recognized the evils of opium long before contact with Western civilization, and by strictly prohibiting its entry had never permitted the opium smoking habit to gain a foothold in the country. As early as 1858 an agreement was concluded with Great Britain whereby

¹ Chapter IV, Article 15 of the Hague Convention of 1912 states: "The contracting Powers having treaties with China (Treaty Powers), shall, in conjunction with the Chinese Government, take the necessary measures to prevent the smuggling into Chinese territory, as well as into their Far Eastern colonies and into the leased territories which they occupy in China, of raw and prepared opium, morphine, cocaine, and their respective salts, as also of the substances referred to in Article 14 of the present Convention. The Chinese Government shall, on their part, take similar measures for the suppression of the smuggling of opium and of the other substances above referred to from China to the foreign colonies and leased territories."

opium importation was forbidden. Later when the medicinal properties of opium and its derivatives were recognized, and their value to surgery appreciated, certain amounts of opium were imported and domestically produced. Regulations were then extended to restrict its use and retail sale, and provisions were appended to the criminal code to deal with opium offenders.

The Opium Law of 1897 is substantially the law which operates in Japan today. Revisions were made in 1917, 1919 and in subsequent years, whenever Japan's signature to an international convention made further legislation necessary. At the present time the sale and manufacture of opium is a government monopoly, and its importation, possession and use are forbidden except as a medicine. The cultivation of poppies is allowed in certain districts under the supervision of provincial governors. Opium produced is delivered to the government to be used only for the purpose of manufacturing medicinal drugs. Importation of opium, whenever necessary, is undertaken solely by the government and exportation is forbidden.

The manufacture of opium derivatives and cocaine is confined to some ten firms, which are licensed and supervised by the government. Only pharmacists, who have the approval of the Ministry of Welfare, or druggists with permits from Prefectural Governors can deal in narcotic drugs. Despite the fact that manufacture and exportation are regulated in conformity with the Geneva Convention of 1925 and the Drug Limitation Convention of 1931, to which Japan is signatory, leakages into the illicit traffic have occurred. Curiously enough, the penalties for drug trafficking are less severe than offenses against the Opium Law. The latter provides a maximum of seven years' imprisonment; whereas the Drug Regulations set a limit of only three months and a fine of 100 yen.

In Japan proper the narcotic laws are effectively enforced, however. According to official report, there were only 3,600 known drug addicts at the end of 1938 in a country of seventy million inhabitants. Compared to the 50,000 which

is the official estimate of those addicted in the United States this number is exceedingly small. Opium smoking among the Japanese is non-existent. A few Chinese smokers are occasionally apprehended.

The reason for this amazing rejection of a habit which has been so prevalent for two centuries in neighboring China lies in the overwhelming pressure of public opinion against opium addiction. An opium user in Japan is a social outcast. Moreover, the opium problem there has never been one of curing addiction, but of preventing it. Strict prohibition is thus possible, and because Japanese police officials are a superior class of men and the Japanese people as a whole are extremely law abiding people, preventive efforts are exceedingly effective. No commercial motives or revenue interests in Japan have ever been active in respect to opium. Consequently, the evil has been attacked on purely moral and social grounds, which is not the case in China or in the Far Eastern colonies of European countries.

Moreover, the Chinese residents of Japan are, in the main, non-smokers. A Chinese addict would be discouraged from settling in Japan, knowing the extreme difficulty he would have in obtaining the drug. Because the Chinese are concentrated mostly in the cities of Yokohama, Kobe and Nagasaki, whatever opium smoking exists is localized. The penalties are severe and in many cases followed by deportation.

In direct contrast to the successful operation of Japan's narcotic laws has been the inadequacy of its consular laws in China, and its inability to prevent a diversion of its domestically manufactured drugs into the illicit traffic. The meager punishments meted out for opium and narcotic drug offenses in the Japanese extra-territorial courts have been described in a previous chapter wherein it was seen that thousands of Korean and Japanese peddlers have for the last ten or fifteen years been actively involved in peddling narcotic drugs in many sections of China.

Foreign Office Ordinances Nos. 10 and 11 of June, 1936, which were supposed to strengthen previous laws, forbid

Japanese subjects in China to deal in raw opium, opium appliances, prepared opium and narcotic drugs. But the penalties imposed under these ordinances are so mild that they nullify the law. For both opium and drug offenses the maximum penal servitude is three months and the maximum fine one hundred yen. Since the profits for one successful illicit importation may run into many thousands of yen and the intake of a peddler may amount to several hundred yen a week, such penalties hardly act as deterrents. In 1937 the Japanese delegate in Geneva was brought to admit the inadequacies of such penalties. At the present time military law has, in effect, replaced consular or civil jurisdiction over Japanese nationals in China. Army officials are now the responsible authority.

Before the League of Nations' concerted attack on the surplus manufacture of narcotic drugs, Japan, along with other countries, produced these drugs greatly in excess of its own medical and scientific needs and its legitimate export orders. Japanese cocaine, in particular, was frequently discovered in the illicit traffic, as well as quantities of morphine and heroin. While sources of illicit narcotic drugs have almost entirely dried up in other countries, morphine and heroin of Japanese origin still turn up in smuggling centers in all parts of the world. Since the hostilities in China, the medicinal need for narcotics, particularly for wounded soldiers, has evidently led to increased manufacture. The League Supervisory Body received notice in 1939 that Japan would require 5,273 kg. of morphine in 1940 compared to 4,905 kg. in 1939 and 4,953 kg. in 1938.

To sum up, it is evident that up to the present day Japan has favored a double policy with regard to the application of narcotic laws. At home all efforts have been successfully directed toward a repression of the illicit drug trade and drug addiction; in occupied China the leniency of Japanese authorities has not discouraged manufacture of, and trade in, drugs which are not only consumed in large quantities in China itself, but are also clandestinely exported to other countries.

CHAPTER VII

OPIUM PROBLEMS IN JAPANESE DEPENDENCIES

Chosen (Korea)

The sharply increasing production of opium in Chosen in recent years has become a matter of some concern. In 1937 the Monopoly Bureau of the Government-General of Chosen announced an extension in the area licensed to grow poppies, which added some one thousand hectares over a three year period. The output of opium for 1938 was consequently the highest on record—35,694 kilograms.

Chosen itself does not consume much opium. Its sale and use are prohibited. The government monopoly supplies small amounts to a manufacturer of medicinal drugs in Keizyo, but in the past most of the morphine needed has been obtained from Taiwan and Kwantung. In response to an inquiry of the United States government in 1932, the Japanese government maintained that the opium produced in Chosen was solely for the purpose of supplying domestic needs. It now appears that Chosen has become a large producer of opium, which it exports to Manchukuo and Kwantung. At a time when the global production far exceeds quantities necessary for meeting the medical and scientific needs of the world, any increased production is viewed with misgivings by the Opium Advisory Committee in Geneva.

Two motives have apparently prompted the Japanese government to increase Chosen's production. One is aimed at the desire to be independent of opium imports; the other to secure sufficient supplies for the increased demands of wartime. As long as Iranian opium is still imported into Kwantung, however, and as long as Manchukuo is also producing large quantities, exports of Korean opium would appear to create a surplus in Manchuria; and surpluses often

find their way into the illicit traffic. While the present rate of importation and production continues, the professed need of the Japanese Empire to be self-sufficient in respect to opium must be regarded as an evasion.

Chosen's cultivation has shown an upward trend in every year during the past decade. Opium production in 1938 was over forty times the average for the years 1926-27-28. Acreage planted has increased correspondingly. In 1938 it was double the year preceding and the number of farmers licensed to cultivate the poppy reached a new high of 34,532. On the basis of 120 yen received for each 4 kgs. produced, the latest crop would be valued at over a million yen.

TABLE I

	1928	1930	1932	1933	1934	1935	1936	1937	1938
Area cultivated in hectares...	415	735	1,067	2,240	2,177	2,481	2,384	2,556	5,007
Production in kilograms...	808	1,400	7,634	14,058	11,339	18,345	27,305	28,847	35,694

Almost the entire crop is exported to the Monopoly Bureaus in Manchukuo and in the Kwantung Leased Territory. Exports to Manchukuo alone were said to have risen abruptly from 1,899 kilograms in 1933 to 11,238 kilograms in 1936. The Japanese government reported that 27,838 kgs. or almost twenty-eight tons of opium were exported in 1938, of which 8,953 kgs. went to Kwantung, the remainder to Manchukuo. These were termed "legitimate" shipments.

In addition, an illicit traffic in opium also flourishes along the Chosen-Manchukuo border. In these frontier regions opium is often used for currency. Representatives of the two governments met at Hsinking in December 1938 to deal with the smuggling of opium from Chosen, the illicit cultivation in Manchukuo and the clandestine manufacture of morphine in the poppy growing districts of both countries.

Nevertheless, Chosen has been successful in keeping addiction to opium and narcotics among its own inhabitants at a minimum. Both the Opium and Drug Laws are similar to those existing in Japan. Opium smoking is confined to a

few Chinese residents. Such offenses are dealt with severely. In 1938, out of 167 prosecuted, 108 were sentenced to imprisonment with labor.

Penalties for drug offenses are even more severe, amounting in extreme cases to five years' imprisonment and a fine of 5,000 yen. Narcotic drug addicts known to the government must be registered. Thereafter, drugs are dispensed to them in diminishing doses after periodic medical examination. Official reports claim a high rate of cures for registered addicts. In 1935, the provincial government clinics admitted 2,163 addicts and discharged 2,020 as fully cured. Although some Korean addicts are returning from Manchukuo and North China, where the Japanese claim there is now a "rigorous control of the illicit traffic in narcotic drugs," and others are being deported from Japan proper, the number of uncured addicts in Chosen at the present time cannot be over several thousand. Although the Chosen government appears to be overly optimistic of its success in curing addicts by the ambulatory method, complete eradication of drug addiction is their goal, an aim perhaps not unattainable.

Formosa

Before Japan took over Formosa in 1895, fully one-seventh of the entire population of the island was addicted to opium smoking. According to the latest report of the Japanese government—that for 1938—only 12,000 licensed smokers remain, while the average rate of decrease continues at ten per cent yearly. Allowing for a few thousand clandestine smokers, it now appears that after forty years of Japanese rule, the opium habit has been confined to a very small fraction of the population—less than one-half of one per cent. The Japanese have thus demonstrated in their own country and again in Formosa that if they so desire, they are capable of curbing opium smoking, not only among their own nationals but among those of a subject race.

Soon after the occupation of the island Japan determined to stamp out opium. The addicts were almost entirely na-

tive Formosans, the descendants of the immigrant Chinese from Fukien and Kwangtung. The practice of opium smoking was introduced into China via Formosa and during the nineteenth century the continual intercourse of the Chinese between the island and the mainland cities of Amoy, Swatow and Foochow, which had become steeped in the vice, strengthened the habit among the Formosans living in the coastal regions. Before the advent of the Japanese no restrictions existed for either the use or the importation of opium. Since 40,000 Japanese citizens were residing in Formosa at this time, the new government was anxious to prevent any contamination from addicted natives.

The Japanese at first considered extending their own opium laws to Formosa, but eventually concluded that immediate prohibition was unworkable. They reasoned that inasmuch as opium had become a traditional custom among the natives, drastic oppressive measures might well create disturbances. Moreover, to deprive abruptly thousands of uncured addicts of legitimate access to the drug would create severe suffering as well as stimulate an enormous illicit traffic, which would be costly, if not impossible, to prevent.

Consequently, the system of progressive prohibition was adopted with a view to completely eradicating the opium habit over a period of years. Opium smoking was permitted to all who had become addicted. Smokers were licensed and the sale of opium became a monopoly of the government. Since revenues from opium sales immediately became a substantial item in the government's budget (3,000,000 yen in 1902), Japan was accused of ulterior motives. However, an American Investigation Committee, appointed in 1905 by President Roosevelt to recommend a system of opium control for the Philippines, discovered no grounds for such charges. That financial returns have been only incidental to control and suppression would also seem to be borne out by the modest profits and the steadily declining part opium has played in providing for government income over the last forty years. At no time has opium accounted for more

than four per cent of the total revenues. In 1938, it amounted to less than one per cent.

Because the government's independence of opium revenues has prevented the profit motive from playing a part, the Formosan system has been the most successful of all the opium monopolies in the Far East in the gradual elimination of the habit. The original law dates from 1897 when all opium smoking was prohibited except for those medically certified and licensed as addicts. Since the first register was necessarily incomplete, licenses were again offered to clandestine consumers in 1904-5 and again in 1908. A total of 46,000 was added to the original number of 169,000. In 1910, however, due to deaths and voluntary cures, the licensed addicts numbered only one hundred thousand or slightly more than three per cent of the population.

During the next two decades, many others acquired the habit secretly, either through purchase of government opium from licensed addicts or more probably by means of opium smuggled from China. In 1929 it became necessary to open the registers a third time. Of the 25,000 who applied for licenses, only 5,518 were adjudged incurable and given permission to pursue the habit. The remainder were forced to undergo a cure or were dismissed as being only occasional smokers. In spite of these additions to the smokers' rolls, the deathrate of addicts has more than offset the number of initiates, who comprise the majority of the clandestine smokers. Consequently, in no year has there been a net increase in the total number of addicts. The following table illustrates the steady decline in the number of licensed smokers.

The crux of the progressive system of opium prohibition is the ability to prevent addiction among young men, who might later have to be added to government registers. The number of licensed smokers under thirty years of age was 17,693 in 1902; 7,443 in 1909; and 98 in 1918. By 1924 no one below 30 held a license to smoke. The decrease in young smokers was due to the refusal of the Japanese government to issue new licenses. In 1929 when the lists were

TABLE II

Year	Number of Licensed Smokers	Estimated Number of Clandestine Smokers	Total Smokers
1901.....	157,619	50,000	207,617
1905.....	130,476	20,000	150,476
1910.....	98,987	5,000	103,987
1915.....	71,715	10,000	81,715
1920.....	48,012	20,000	68,012
1925.....	33,755	25,000	58,755
1927.....	26,942	30,000	55,000*
1933.....	18,621	10,000	28,621
1936.....	13,574	8,000	21,574
1938.....	10,884	7,000	17,884

* Commission of Inquiry into Control of Opium Smoking in the Far East, Volume I, Geneva, 1930.

last opened, only the older inveterate smokers were admitted. The young men who had recently begun to smoke were forced to undergo cures. Although it has been impossible to prevent some younger men from acquiring the habit, as evidenced by the numbers who applied for permits in 1929, the great majority of smokers are now over forty years old. If the Formosan authorities determine to add no further names to the register and force cures on smokers of non-government opium and all those under forty who have become addicted, the goal of complete prohibition will be achieved thirty years hence when the last licensed addicts die off.

The Formosan government maintains a monopoly bureau for importation, manufacture and distribution of opium. Raw opium is imported almost entirely from Iran, and then processed into prepared opium at the government factory. The product has a uniform morphine content of about six per cent and is packed in sealed metal tins containing 5 or 15 grams.

Distribution is also carefully supervised. Provincial governors are responsible for consignments for the wholesalers received from the factory. The latter sell to licensed retailers, retaining a commission of 1.3 per cent of the wholesale price. Retailers are subject to strict police inspection and their profit is set at ten per cent of the officially estab-

lished retail price. All sales and profits are uniform, and since the vendors must submit detailed accounts to the authorities, there is little opportunity or incentive for stimulating sales.

The opium customers must produce licenses and passbooks in which their purchases are recorded. Noted on the license is the amount of ration, which a previous medical examination has determined as necessary to satisfy each particular stage of addiction. In ordinary circumstances smokers are not allowed more than three days' ration at any one time, so that the buyers never have a surplus on hand which they might be tempted to sell to unlicensed smokers. The average daily ration is less than 3.75 grams. Some thirty per cent of the addicts are allowed up to 7.5 grams daily, while a few highly addicted habitués consume as much as 20 grams a day. Both the rigid system of retailing, whereby price and profits are set by the government and accounts periodically examined, plus the strict rationing of customers has prevented, to a large degree, government opium from finding its way into the hands of unlicensed smokers and others who may be tempted to begin the habit.

The Monopoly Bureau thus claims to sell almost one hundred per cent of the opium consumed by licensed smokers. To attract them to legal opium, the government offers it at a cheap price, carefully blended and standardized. The Japanese contend that by keeping the price of opium well within the means of the average addict while at the same time providing a good quality opium of standard morphine content the temptation to buy illicit opium is minimized. Since the smuggler must compete against government opium and has only a small profit margin, illicit trafficking is hardly worth the risks involved. The low price at which monopoly opium is retailed is an outstanding feature of the Formosan system.

For the last fifteen years the price has been stabilized around 0.6 yen per five gram tube. During 1938 it was found necessary to raise the price slightly to 0.7 yen "to

cover the increased costs of production." The government factory produced 14,325 kilograms for the last year reported (1938). Since only 13,453 kilograms of raw opium was needed to manufacture this amount, it can be concluded that the Formosan prepared opium is being adulterated and thus contains a low morphine content. Considerable quantities of crude morphine have in the past been extracted during the manufacturing process, and concern has been expressed in Geneva over its disposition. Part of it appears to have been bartered to the Chosen government for its legitimate needs in exchange for raw opium.

As in the case of all opium monopolies, the fact that the government makes a profit from an admittedly noxious habit provokes much criticism. One undesirable feature in Formosa is the utilization of monopoly profits for ordinary governmental expenditures. However, these profits, as previously pointed out, play no great part in supporting the Formosan government. According to official reports, the 2,900,000 yen realized in 1928 accounted for only 2.72 per cent of total revenues. Ten years later, after deductions for treatment of addicts and administration of the monopoly, net profits had shrunk to 1,644,000 yen or 0.83 per cent, the lowest of all the Far Eastern monopolies.

The *raison d'être* for an opium monopoly in countries which are attempting to suppress the use of the drug is to prevent all but government agents from selling opium. If illicit traffic flourishes unchecked the monopoly system fails, and the government finds itself in position of sharing opium profits with smugglers. Formosa's proximity to the mainland of China makes the suppression of opium smuggling extremely difficult. Smuggled opium is carried on board the ordinary cargo steamers plying between Swatow, Amoy and Foochow and Formosan ports, and on the numerous small junks, which land the illicit stuff in remote harbors. The source of virtually all opium smuggled into Formosa is China and the smugglers themselves are Chinese.

In 1928 the illicit traffic was supplying almost as many

smokers as the government. Since that time many of the secret addicts have either been cured or have been licensed to smoke monopoly opium when the lists were reopened in 1929. The outbreak of the Chinese-Japanese conflict has interrupted intercourse between the islands and the mainland, and Chinese junks have all but disappeared from the Formosa Straits. There has thus been a consequent decrease in opium smuggling. In 1938, only 6 kilograms of prepared opium and 19 kilograms of raw opium were confiscated. However, in accordance with the accepted ratio of seizures to total amounts smuggled, probably ten times this amount escaped detection.

The partial success of the Formosan authorities in curbing the illicit opium traffic has only been possible by immigration restrictions, strict penalties and the policy of keeping down the price of government opium. Chinese laborers migrating to Formosa are debarred if addicted to opium. Suspects are often detained for several days to watch for the symptoms of opiate addiction which appear when the drug is withheld. In 1938, less than one hundred addicts of Chinese nationality were licensed to smoke. During the last two years many Chinese, among them several hundred opium smokers, have returned to China.

The preventive work is a charge of the ordinary police force and the Customs administration. The latter attempts to prevent the landing of opium on the island and the former exercises rigid surveillance over licensed smokers and suspects. The penalties are severe—a maximum of three years jail sentence with hard labor for illicit smoking and five years for illicit trafficking. Of over a thousand offenses against the opium laws prosecuted annually, all but a few are convicted. In 1938 about a hundred offenders were sentenced to imprisonment exceeding six months. The secret smokers were fined, the average around 50 yen.

In contrast to opium smuggling, the drug traffic between Formosa and China is mostly in the hands of Formosans. Along with the Koreans, they have been peddling narcotics

in the coastal cities of China for many years, particularly in the province of Fukien. At various times the source of supply may very well have been Formosa itself; for the crude morphine, which is a by-product in the process of preparing opium for smoking, is always a potential source of illicit supply. It seems doubtful, however, if morphine in any great quantity has been diverted directly from Formosa to China. Nevertheless, Japan has reported the movement of certain amounts of this crude morphine to Chosen and Kwantung, presumably to fulfill medical requirements. The amounts involved appear to indicate that some of it may reach illicit channels.

Only small quantities of morphine have been seized entering Formosa. There is a tendency among some opium addicts to substitute morphine when they are unable to obtain enough smoking opium to satisfy their addiction. A number of drug addicts of Formosan nationality returned to the island after the outbreak of hostilities, but many have since been forced to take cures in the Taihoku House of Correction. In 1938 one-half of the 150 offenders of the narcotic laws served prison terms.

The Formosan government is as anxious to defend its monopoly system as are other apologists for legalized opium smoking. In estimating the actual progress made in Formosa to suppress the use of opium, conclusions must necessarily be based on the official reports by the Japanese government to the League of Nations. No other reliable information is available. Some individual investigators, having been discouraged by Japanese authorities from making any extensive inquiries, have deduced from isolated cases that the government is grossly misrepresenting the real situation. On the other hand, although reflecting only the official view, the findings of the League's Commission of Inquiry in 1929 would appear to lend backing to the Japanese statements. If the annual reports to the League of the last five years are accepted, even with reserve, it must be concluded that Japan has done a better job in Formosa than most of the European governments of Far Eastern colonies.

Kwantung Leased Territory

Of all the areas under Japanese jurisdiction the Kwantung Leased Territory has the worst narcotic record. Not only is a large percentage of the population addicted to opium smoking, but this small peninsula has always been the center of a flourishing traffic in illicit drugs. The geographical position of Kwantung in respect to its proximity to China resembles that of Hongkong and Macao, and has been the main reason for an excessive traffic in opium and drugs. The majority of Chinese immigrants to Manchuria pass through Kwantung in transit. More than fifty per cent of the Chinese addicts in the territory are transients and for this reason no efforts have been made to force cures or to deprive them of the drugs necessary to satisfy their addiction.

The right to import raw opium, to prepare it for smoking, and to retail it to addicts was formerly farmed out to the highest bidder, although in most cases the consumer himself prepared it for smoking. Some years ago, the government established its own monopoly for the sale of opium. Recently, a number of ordinances have been put into effect in order to tighten control over opium consumption. Since the monopoly had previously sold only raw opium to retailers, who then processed the opium for smoking, the prepared opium was often adulterated or of inferior grade. As a result a surplus was often available for sale to illicit manufacturers of narcotic drugs. According to the new laws, the Monopoly Bureau now prepares its own opium for smoking and allots a minimum quantity to each opium retailer.

The enforcement of opium regulations is still a charge of the Japanese Ambassador to Manchukuo, but he has recently relinquished to the governor of the Territory his right to issue permits to smokers and retailers. Addicts must obtain their opium from specified retailers and the quantity is rationed by law. In 1938 there were 101 retail shops selling opium prepared by the government.

According to recent statistics of the Permanent Central

Opium Board, the Kwantung per capita consumption of narcotics including both opium and its derivatives is the highest in the world. The Commission of Inquiry in 1929 estimated the number of opium smokers, licit and illicit, at about 96,000 or roughly ten per cent of the male Chinese population. The large majority of these, however, must be considered as part of the floating population. In 1936 the Japanese government reported 30,661 licensed smokers, while the most recent report—that for 1938—showed 21,373, a substantial reduction in two years. The Sino-Japanese conflict, however, has been an important reason for this diminution. A number of Chinese opium addicts were deported to China; some returned to China of their own accord; and others emigrated to Manchukuo. Nevertheless, there are many addicts who probably have not registered with the Government Monopoly Bureau.

Some efforts are being made at the present time to cure opium addicts. A clinic in Dairen claims to have cured 411 during 1938. Most of the light smokers are cured at the House of Correction after compulsory medical examination. Only the seriously addicted smokers are licensed.

Since 20,000 kilograms of prepared opium are manufactured annually, and consumption rate is even higher, the Kwantung government derives a tidy revenue from opium sales. In 1929 net profit amounted to 1,370,215 yen or 6.4 per cent of the total government revenue. Ten years later the net profit of the Monopoly Bureau had increased to 2,504,608 yen; but total revenues being higher, it accounted for only 5.98 per cent of the total revenue.

The importation of opium into Kwantung has reached staggering proportions. As port of entry for Manchukuo, it receives tons of opium from Iran, some of which is apparently covered by import authorization in accordance with the regulations of opium conventions. The Kwantung government has also imported many tons to supply its own smokers and the addicts residing in what was formerly the South Manchuria Railway zone. In 1938 nearly thirty tons were imported, about equally divided in origin between

Chosen and Iran. Dairen has also been a point of transhipment for Manchurian and Iranian opium destined for Japan, North China, or Shanghai. Aside from imports for which legal authorizations are claimed, large quantities of illicit opium are thought to enter Kwantung, most of which is now coming from Iran.

Although Iranian opium imported into Kwantung is ostensibly for use as a blend in the preparations of opium for smokers throughout Manchuria, the large part of it is being manufactured into heroin and morphine. Because of its high morphine content, Iranian opium is more desirable for this purpose than the Jehol product. From Dairen the narcotic drugs are smuggled into Manchukuo and exported clandestinely by boat to Tientsin, Tsingtao and Shanghai. In these cities they are purchased by the international smuggling syndicates, who ship them to all parts of the world. There is little reason to doubt that the Kwantung Leased Territory, which has been under Japanese jurisdiction since 1904, is, along with Shanghai, the largest distributing center for illicit narcotics in the world.

CHAPTER VIII

WIDESPREAD USE OF NARCOTICS IN MANCHURIA

The Chinese introduced the opium habit into Manchuria about the middle of the seventeenth century. Although the Manchu rulers promulgated rigid restrictions on immigration to the northern provinces, there was a very considerable population of Chinese farmers and merchants in Manchuria in the eighteenth and early nineteenth century as well as a continuous infiltration of Chinese officials from Hopei and laborers and farmers from Shantung at the time the Imperial summer palaces were being built in Jehol. Many of these immigrants smoked opium and passed on the noxious habit to the inhabitants of the region. For the next century, however, opium smoking was confined mostly to the province of Jehol. After 1878, immigration restrictions were relaxed and Chinese were encouraged to settle in northern Manchuria to offset the Russian advances. The opium smoking habit thereafter spread to all parts of the northeastern provinces.

The cultivation of the opium poppy first appeared in Jehol, where the farmers found it profitable to supply the demand of smokers in the Imperial retinues which annually sojourned at the summer palaces. Cultivation kept pace with demand and spread slowly, particularly in areas where other crops could not be transported to markets. The small bulk of raw opium and its high price per pound in the cities often made it the only crop that could be grown with profit in regions where roads, railways and river transportation were lacking.

The profit to be made from opium was in itself a strong attraction for Chinese immigrants, and it contributed in no small way to the speedy colonization of Manchuria.

Opium's role in the development of this region is comparable to that of gold in the early days of California, Alaska and Australia. Pioneer settlers almost invariably found opium more profitable to raise than other crops. Like gold it could be sold readily in the cities and was always exchangeable for food and other necessities. As the opium-producing communities prospered, transportation facilities improved and other agricultural crops were raised. Opium cultivation was then pushed on into less populated regions. The lower Sungari river area, the country around Fuchin, and the western frontier region of Manchuria, in particular, were colonized with the aid of opium. The fact remains that the opium poppy has been largely responsible for the founding of many communities and the opening up of many hundreds of square miles of remote areas of Manchuria.

The Chinese authorities in Manchuria were not slow to realize revenue from the taxation of opium cultivation. The Manchu armies, which were continually involved in civil wars, relied on opium taxation for their chief financial support. In times of extensive campaigns and greater expenditure, it became the practice to encourage the growth of opium by raising ordinary land taxes to the point where only poppy cultivation was profitable for the farmer. The crop was then heavily taxed all the way from field to market. Naturally enough, continual exploitation of opium for government revenue greatly increased addiction among the population.

At the beginning of the twentieth century Manchuria was as opium-ridden as the rest of China. When the Imperial Government in Peking at last determined to prohibit its cultivation and abuse, anti-opium edicts were enforced both north and south of the great wall. Cultivation was never entirely suppressed in the frontier districts of the north-eastern provinces, but the enormous production in Jehol was gradually stamped out. The International Anti-Opium Association in Peking was able to report that "by 1920 poppy cultivation had practically ceased in Manchuria," whereas conditions in the rest of China "were not so satisfactory."

Nevertheless, enough illicit opium reached clandestine smokers to keep the habit alive among a large percentage of the population. As the power of the central government declined, opium laws became ineffective. With the shift of authority to military governors from their civilian colleagues, the welfare of the people was again sacrificed to the revenue needs of the warlords. As in the rest of China, opium taxation became the special prerogative of local military *tuchuns* (warlords), and cultivation was again encouraged. Though still legally prohibited, land sowed with poppies was taxed by means of "fines." Temporary permits were issued to addicts "until they were able to cure themselves," while "suppression bureaux" levied heavy taxes on opium sales, which in most cases were made quite openly.

The recrudescence of poppy cultivation in the nineteen-twenties was further stimulated by the operation of bandit gangs. Floods and famines, local uprisings and rebellions threw thousands of destitute peasants and unpaid soldiers into a life of banditry. In the non-accessible mountain regions, the bandits cultivated and traded in opium, evading the usual collection of taxes on its production. Hijacking of opium shipments by rival gangs and in turn by the troops of local warlords was not an infrequent occurrence. The military protection forced on opium merchants for marketing this illegal produce added to its corrupting influence in army and political circles.

Marshal Chang Tso-lin himself was deeply involved in the opium traffic. His appointed governor in Jehol, Tang Yu-lin, regarded the opium produced in his satrapy as a personal monopoly. Crude morphine was manufactured in Chengteh and exported, through Chang Tso-lin's agents as middlemen, to Japanese syndicates in Dairen and Tientsin. The profits and "squeeze" were immense. In 1927, Chang-Tso-lin, discarding any pretense of opium suppression, legalized production. Even the Marshal's son, Chang Hseuh-liang, who was later to kidnap Chiang Kai-shek, became an addict of opium and also of heroin.

After the assassination of Chang Tso-lin and the accession

of the young Marshal in 1928, the Nanking government was able to exercise greater control over Manchuria. However, although opium was again prohibited by the law, the traffic continued. Collection of opium taxes and fines was still the main support of the army, which was at that time consuming some eighty per cent of the government's entire income. The picture of the poppy in bloom even appeared on certain denominations of the paper currency, whereas the widespread connivance of government authorities in the opium trade gave it a certain respectable status. Opium revenues had mounted to between seventy and ninety million yuan annually, and large amounts naturally stuck to the fingers of army officials and tax collectors. The bribery and corruption which invariably associates itself with opium taxation and fines contributed in no small way to the deterioration of the regime and its overthrow by the Japanese in 1931.

Estimates as to the extent of opium smoking in Manchuria in 1931 are variable and often highly inaccurate. Approximately one-tenth of the population of thirty million were opium smokers. No particular effort to cure addiction was observed during the last days of the Manchu rulers and very little stigma was attached to the habit. The venality of the government officials themselves, who besides dealing in opium were often addicted to the drug, hardly set an example for suppression. In general, opium smoking was probably more widely practiced in Manchuria than in other sections of China, with the possible exception of the opium-ridden provinces of Yunnan, Kweichow, Szechuan and Shensi.

Much more serious, however, was the alarming increase in the consumption of narcotic drugs—morphine, heroin and, to a lesser degree, cocaine—during the ten years preceding the Japanese occupation in 1931. Drugs had been widely distributed among the poorer classes in the cities and even in the hinterland. As in China, these victims had previously been addicted to opium smoking, but had been attracted to the more powerful drugs by the lower price and greater potency. Once addicted to morphine or heroin, the

consumer provided, as the addiction progressed, both a steady and increasing source of profit to the peddler. By 1931, the profits in drug trafficking were immense.

The wholesale and retail trade in narcotic drugs was largely in the hands of Japanese nationals. The majority of the drug peddlers were Koreans, who had immigrated from their own country into Manchuria as an indirect result of Japanese colonization policies during the decade following the absorption of Korea into the Japanese empire. In order to settle colonists in Korea, various Japanese development companies bought up the land of Korean farmers during the nineteen-twenties and encouraged them to migrate to Manchuria. Since it was the policy of the Manchurian government at this time to prevent Koreans from owning or leasing land, many Koreans found it difficult to earn a livelihood by farming. For lack of other opportunities these destitute immigrants became engaged in the illicit sale of morphine and heroin in the cities and towns and throughout the countryside, particularly along the South Manchuria and Chinese Eastern railways.

The Chinese authorities in Manchuria could do little to prevent the operations of these peddlers, since many Koreans enjoyed a type of dual nationality, which often served to protect their criminal activities. In spite of the fact that Japan refused to recognize the right of Koreans residing in Manchuria to change their nationality, many of them became naturalized Chinese citizens. When arrested by the Chinese authorities, a Korean drug peddler would claim immunity as a Japanese national. And since the Japanese extra-territorial courts were notoriously lenient in respect to drug trafficking, it availed little to turn him over to the Japanese consular police. On the other hand, when the same trafficker was arrested by the Japanese, he immediately avowed Chinese citizenship; and the Japanese police rarely had any interest in turning him over to the Manchurian authorities. The confusion resulting from this conflict of two jurisdictions enabled many Korean drug peddlers to ply their trade without fear of punishment.

The source of supply for the Japanese and Korean retailers of narcotics was almost invariably the Kwantung Leased Territory, or more specifically, the city of Dairen. Morphine by the ton entered the port of Dairen from Japan where surplus stocks had been accumulating for years. According to Japanese trade returns, the imports of morphine into Japan itself were 10,165 kilograms in 1915; 15,842 kilograms in 1916; and 17,106 kilograms in 1917. These amounts were excessive in the extreme for a country having need for less than 800 kilograms annually in the ten years previously. It has been reported that 17 tons of morphine entered China through Dairen alone in the year 1917. When the opium poppies again appeared in the fields of Jehol, under the guardianship of local Manchu generals, a thriving manufacture of morphine and heroin grew within the Japanese controlled Kwantung Leased Territory. To supplement any deficiencies in the domestic opium production needed to supply the demand of both opium smokers and drug manufacturers, additional amounts were imported from Korea and Iran.

Such was the situation in 1932 when the Lytton Commission of the League of Nations made its visit to examine the background of the "1931 Incident." Although the Commission did not specifically study the narcotic situation, mention was made in the annexes of their report to the League of Nations of the part played by manufactured drugs as an issue of conflict between China and Japan. A memorandum to the Commission by V. K. Wellington Koo, Chinese assessor, stated that "Japanese settlements in the various parts of the three Eastern Provinces have served as centers for traffic in narcotic drugs." Dairen was indicted as a base of operations for Japanese tradesmen smuggling drugs to Tientsin, Mukden, Kirin, Shihchiachwang and other cities and towns of North China.

Thus, even before the Japanese conquest opium and narcotic drug addiction was recognized as Manchuria's most serious social problem. The claims and counter-claims which accompanied the detachment of this area from China and

its subsequent administration by the Japanese have been weighted with propaganda. China has contended that Japan deliberately poisoned the people of Manchuria for the purpose of weakening their resistance, an accusation which has been repeated in connection with Japan's recent occupation of other parts of China.

On the other hand, Japan maintained that the Chinese were an inferior race, naturally addicted to opium. Japanese spokesmen have pointed out that corrupt Manchu officials had encouraged rather than suppressed opium and that before Japan took over the country, addiction had been widespread for many years. Before examining the present administration's handling of the opium problem, it is important to summarize causes and consider these charges with a view to placing responsibility for this situation.

There seems to be grave doubt that the Chinese themselves have done anything to rid themselves of the opium smoking habit in Manchuria. The immigrant Chinese, as distinguished from the original inhabitants of Manchuria, introduced opium and have since been the most susceptible to addiction. Pioneer settlers cultivated the poppy extensively. Later, the government officials themselves exploited opium cultivation and encouraged its growth for the sake of increasing government revenues. The Chinese military governors of Jehol shipped opium south to Tientsin and Dairen in full knowledge of its eventual transformation into a dangerous narcotic drug. Although there were periodic outbursts of suppression whenever a Peking government could exercise sufficient authority, it came to no avail when the personal government of military warlords superseded. Official corruption and the deterioration in government authority resulted in a large underworld of Chinese, Russian, Japanese and Korean criminals in the cities of Harbin, Kirin and Mukden. These cities became infested with drug peddlers and riddled with drug addiction.

On the other hand, Japanese subjects were deeply involved in the importation and manufacture of narcotic drugs, most of which took place in the Kwantung Leased

Territory. Moreover, Japanese and Koreans were the chief distributors, peddling their poisonous goods to every corner of Manchuria. As has previously been pointed out, Japan cannot escape assuming a responsibility for this situation on the grounds of a lack of authority. Its consular police zealously intervened to protect or extend jurisdiction over its subjects, when they were suspected of anti-Japanese agitation. But when drugs were involved, the Japanese police looked the other way, often to their own profit, while Korean peddlers distributed their wares unmolested.

In 1932 the puppet state of Manchukuo was organized by Japan. The prevalence of addiction to opium and drugs was immediately viewed as a serious social menace, which might in the long run prevent the successful economic exploitation of the region. During the following five years practically no reliable information concerning the narcotic situation has come to light. Since the League of Nations did not recognize the existence of the new state, no official statistics have been submitted to the Opium Advisory Committee or to the Permanent Central Opium Board. Comments on the establishment of an Opium Monopoly Bureau appeared in Japanese publications, as well as transcripts of the new laws for the regulation of opium production and the restriction of opium smoking. The Opium Advisory Committee continually requested more precise information, while listening to its members join in condemning Manchukuo for legalizing the abuse of opium and for the looseness of its system of opium control, which appeared to be based not so much on moral or social motives as on a government monopoly for revenue purposes only.

The Opium Law was promulgated on November 30, 1932. The Monopoly Bureau was subject to the Ministry of Finance, which, however, was not in accordance with the wishes of the Prime Minister, Cheng Hsiao-hsu, who would have preferred to have it administered by the Minister of Civil Affairs. The General Monopoly Bureau allocated opium production to certain provinces and *hsiens*. Poppies were authorized everywhere in the province of

Jehol; in the *hsiens* of Fuchin, Fuyuan, Paoching, Jaoho and Tungkiang in Sankiang Province; Fulin-hsien in Pinkiang; and in Linsi-hsien and Koshihkoteng Banner in West Hsingan. The law designating areas of production, however, was virtually ineffective for the first five years, and farmers cultivated poppies at will. Official production in 1934 was, according to one estimate, 372,652 kilograms. The actual amount produced was probably three times the official figures.

The new government of Manchukuo, moreover, was highly dependent on opium revenues. Taxes on cultivation and consumption had always been considerable, but the sale of opium to some million customers, the majority of whom were daily smokers, now became exceedingly profitable business. There seems little reason to doubt that during the first five years of monopoly control, opium was one of the three largest sources of government revenue. In many instances Japanese advisers and administrators, indifferent as usual to the welfare of the Chinese, encouraged consumption. In the early days, a considerable portion of the opium profits undoubtedly found its way into their pockets. Even so, one report estimated the official opium revenue at 8,650,000 yuan in 1932, which was 9 per cent of total government income. When in 1935 it rose to 13,234,000 the Monopoly Bureau felt forced to explain that it was due "largely to the improved purchasing machinery, decrease of illegal sales and better understanding of the monopoly system itself, the latter factor inducing the chronic opium smokers to turn from illegal supplies to the government products."

The raw opium was purchased through agents appointed by the Monopoly Bureau. Since these agents were usually opium merchants who, in other years had supplied the illicit traffic, quantities of opium never reached the Monopoly warehouses. In order to facilitate the identification of illicit opium, a plant was erected in Mukden in 1933 for standardizing raw opium. Three years later the Monopoly Bureau itself undertook the manufacture of prepared

opium. Both raw and prepared opium were sold by the government to wholesale agents, who in turn distributed to retailers. Very little control was exercised over these local dispensers, and as a result the law which permitted them to sell opium only to addicts possessing a government certificate was very rarely enforced. In spite of the efforts of a few undoubtedly sincere opponents of opium such as Cheng Hsiao-hsu, it must be concluded that during the early years of monopoly control very little progress was made against illicit production, while opium smoking continued unabated.

Far worse than the large scale involvement of the Manchukuo government in opium profits was the apathy of the authoritics toward the spreading menace of narcotic drugs. Up until 1937, no laws for the suppression of morphine and heroin existed; no efforts were made to curb their manufacture and distribution. In the absence of any regulations Japanese and Korean gangsters enjoyed a flourishing business. One observer reported that 550 Japanese and Korean-owned drug shops were operating in Mukden during 1934-35. Harbin's business district alone was said to be infested with 29 narcotic "joints," 20 of which were run by Japanese nationals. Since 1931 the number of drug addicts was reported to have increased from 240,000 to 740,000.

Japanese-owned laboratories in the Kwantung Leased Territory continued to turn out drugs on a large scale; and according to local police authorities in Dairen, a million yen worth of narcotics was smuggled in and out of the city every month. Moreover, imports of Iranian opium into Dairen were reaching large proportions. In 1935, in its report to the Council, the Permanent Central Opium Board called attention to a shipment of 73 tons of raw opium from Iran, which was said to have had Manchukuo as its destination. Since Manchukuo makes no report to the Board, no record of the receipt of this huge quantity of opium has ever been recorded. Because of its anomalous position as an unrecognized, semi-independent ward of Japan, Man-

chukuo can provide an outlet for shipments of opium from countries which do not wish to co-operate with the existing treaties. The importation of Iranian opium into the Kwantung Leased Territory and Manchukuo is still one of the largest holes in the fabric of world narcotic control.

Particularly critical of the increase in narcotic addiction in Manchuria and of the Manchukuo Government for its administration of the opium monopoly have been the representatives of the United States, Egypt and China in the meetings of the Opium Advisory Committee in Geneva. The following are selected excerpts from statements of recent years:

The anticipated gross revenue from Government opium sales in Manchuria in 1937 is estimated at a figure over 28 per cent greater than the gross revenue realized in 1936. As interest in the welfare of the people seems inconsistent with a policy of selling them more opium, one is necessarily led to see in the drive against illicit poppy growing nothing more than an effort to destroy business competition. . . .

Last year I characterized the situation in Manchuria and Jehol where, as we were informed by the Japanese representative, there is no legislation to control manufacture of or trade in opium derivatives, as "terrifying." According to information received, the condition in that area is now almost beyond belief. This is the one region in the world where the governing authority not only makes no effort to prevent the abuse of narcotic drugs but actually profits by the rapid increase in narcotic addiction. . . .

Press reports have stated that, in 1935, in the principal cities of Manchuria, nearly 6,000 persons died of narcotic addiction without any provision for their interment. (Statement of the representative of the United States, Mr. Stuart J. Fuller, before the XXII Session of the League of Nations Opium Advisory Committee, June 1, 1937.)

As heroin manufacture and sale constitute apparently a perfectly open and authorized trade in Manchuria and Jehol, it is possible for any intelligent traveller to judge of the enormous proportions at which this trade has now arrived. . . . I will quote you some sentences from reports received:

"In the city of Harbin, there are today not less than 300 heroin dens . . . these dens are visited daily by about 50,000 addicts of Chinese, Russian and Japanese nationality. . . . Besides these heroin dens, there are in Harbin and Foochiatien, 102 authorized opium-saloons which also sell heroin. . . . Practically one-quarter of the one million inhabitants of these two cities are addicts.

"During the last two years, there have been in Harbin many Japanese addicts, especially among the soldiers and officers of the Japanese army. . . .

"The supply of drugs is not manufactured in Harbin itself. It comes entirely from the Japanese Concession in Mukden and from Dairen."

These quotations could be continued indefinitely. As you will see from them, conditions in these parts are staggering to the mind of any man who has a sense of decency and pity toward his fellow-men. (Statement of representative of Egypt, Russell Pasha, before the XXII Session of the League of Nations Opium Advisory Committee, June 2, 1937.)

The opium crop harvested in Manchuria and Jehol in 1937 was reported to have been a good one. The poppy was cultivated in twelve of the sixteen provinces and, from a cultivated area of 177,000 acres, there was collected a total quantity of 2,796,000 lb. or 1,271,000 kilograms. A large part of this crop went to supply the heroin factories in Hopei, particularly in and around Tientsin. The production in Jehol has been estimated at three times that of 1936. The crop collected in Hsingnan West has been estimated at double that collected in 1936. . . .

As to the manufacture of narcotic drugs in this area, it is reported that the Opium Monopoly Administration continues to maintain and operate narcotic drug factories in Mukden and Chengteh, the output of which is far beyond all possible medical needs of Manchuria and Jehol, and a laboratory in Harbin. The Mukden factory has been reported as turning out mostly base or crude morphine for export to factories at and near Tientsin, there to be used in the manufacture of heroin. . . . The municipal sanitary authorities at Harbin state that, in the seven months January to July 1937, inclusive, 1793 unclaimed corpses were picked up in the streets and alleys of that city, of which 1485 had died as a result of narcotic addiction. (Statement of the representative of the United States, Mr. Stuart J. Fuller, before the XXIII Session of the League of Nations Opium Advisory Committee, June 13, 1938.)

I have in my possession a list giving the names of 181 cities in Manchuria and Jehol in which there were 3,840 licensed opium-saloons and 8,400 licensed heroin dens. . . . (Statement of the representative of Egypt, Russell Pasha, before the XXIII Session of the Opium Advisory Committee of the League of Nations, June 13, 1938.)

With regard to Manchuria and Jehol, there has been no real or effective improvement during the preceding year in the conditions obtaining in respect to addiction, illicit import, illicit traffic or opium production. (Statement of the representative of the United States, Mr. Stuart J. Fuller, before the XXIV Session of the League of Nations Opium Advisory Committee, May 20, 1939.)

Some of the allegations which have been made in the Opium Advisory Committee must be accepted with reserve. The sources of information for the Egyptian delegate were not official. Some estimates as to the number of drug addicts and heroin dens are probably partly guess-work, while starvation and incurable disease must be contributing factors in the death of many of those found in the neighborhood of opium dens. In view of the hostilities between China and Japan, the Chinese delegate's declarations in

1938 and 1939 cannot be considered impartial. On the other hand, the statement of the United States representative constitutes a serious condemnation of the Manchukuo Government, supported as they are by the observations of British and American consular officials residing in the country. Replying to the United States representative in 1937, even the Japanese delegate, M. Yokoyama, stated that he held no brief for the existing system of opium control in Manchukuo. He added that in Japan there were severe critics of the monopoly and that the difficulty lay in the fact that the law was not properly applied and that the evil had been deeply rooted for a long time.

In the following year, M. Amau, the representative of Japan for 1938, categorically refuted a number of the statements of Committee members concerning Manchukuo. Although he was not in a position to speak officially for the Manchukuo Government, he denied the assertion that the Japanese military authorities had been encouraging the illicit traffic in narcotics, that drug factories existed in Chengteh or Harbin or that the exportation of opium from Korea to Manchukuo was other than a legitimate transaction carried out in conformity with the stipulations of existing international regulations. He further attacked the figures presented by the Egyptian representatives as being "grossly exaggerated."

Since the League of Nations refuses to recognize the existence of Manchukuo, no action could be taken by the Committee other than to appeal to Japan to take immediate and effective steps to curb the drug trafficking and clandestine manufacture of drugs carried on by Japanese subjects in China. Since Japan has renounced its extra-territorial rights in Manchukuo in 1937 it can claim a lack of jurisdiction, at least theoretically.

Nevertheless, the outspoken criticisms of the Opium Advisory Committee during these years had apparently made the Manchukuoan authorities conscious of an indefensible situation. For in 1937 and in the two following years the Hsinking government initiated a series of reforms which, if

carried out, should go a long way toward modifying the opium evil. In addition to the Geneva exposés, Japan was also influenced by the fact that the successful economic development of the country was being hampered by such widespread opium addiction. Opium smoking was having a disastrous effect on the health and well-being of many hundreds of thousands, among whom were potential workers who were in continual demand for the exploitation of the mines and for the production of export crops.

Largely instrumental in the reform of the opium administration has been the President of the General Affairs Board, Naoki Hoshino, a man of Christian faith. In order to separate opium revenues from the general budget he recommended in 1937 that the Monopoly Bureau be shifted from the Ministry of Finance to the Ministry of Public Affairs. The opium suppression work thus became a charge of a department interested in the health and welfare of the people. Since financial considerations had hitherto been the main interest in the administration of the monopoly, the shift in emphasis is important. At the same time a plan to reduce opium smoking was put forward with a view to prohibiting the use of opium entirely at the end of ten years. In 1938 and 1939 a series of laws were passed to accomplish this purpose and to prohibit completely the abuse of narcotic drugs.

The first step taken was to set a deadline for filing applications to smoke. No more names were to have been added to the smoking registers after July 31, 1938, but it is doubtful if this regulation has been observed. According to the latest ordinances of December, 1939, the police can still issue permits. No person under twenty-five years of age was to be given a license to smoke and all government officials addicted to opium were to have registered and cured themselves by January 1, 1939, or to have been dismissed.

In order to prevent the diversion of opium to non-registered smokers, the regulations allow only ten days' supply to an addict at any one time. Photographs are attached

to the license and books of tickets for daily rations are required. The penalties for smoking non-government opium or for smoking without a license are now much more severe —ranging up to a fine of MY¹ 3,000 or three years in prison.

The Imperial ordinances of December 28, 1939, abolished the Monopoly Bureau and transferred its personnel to the General Smoking Prohibition Bureau under the Ministry of Public Affairs. The regulations call for a bureau staffed with 245 commissioned government servants, with a number of advisers appointed by the Premier to direct policy. The Monopoly's factory was taken over by the new Bureau and a central factory for manufacturing prepared opium and narcotic drugs is to be established, according to the regulations, in Mukden.

Under the new laws the General Smoking Prohibition Bureau is now the sole agency for the purchase, manufacture and sale of both opium and narcotic drugs. It is also charged with the carrying out of the ten year plan of suppression. The movement of opium from poppy field to smoker is closely controlled. The General Smoking Prohibition Bureau with the approval of the Minister of Public Welfare determines the areas for poppy cultivation and closely supervises its production. Airplanes are to be employed to detect illicit poppy fields.

The area currently set aside for the production of opium is concentrated in Jehol and Hsingan West. Latest government designations (1941) authorize 440,000 mow for Jehol and 60,000 mow for Hsingan West. Illicit cultivation occurs in most northern frontier sections and along the Korean border. The government spent MY32,900,000 for the purchase of raw opium in 1940.

The farmer now sells directly to an authorized government co-operative. The opium is then processed for smoking in the government factory and distributed direct to retail shops operated by the government. These "government smoking stations" are also staffed with civil service

¹ MY = "Manchukuo" yuan, now worth one Japanese yen.

employees, and at present are under the jurisdiction of local mayors and *hsien* magistrates. The stricter control over the retail sale of opium is a much needed reform. Since addicts can purchase opium only at the stations designated on the license, a closer statistical check can be kept on the number of addicts and the amount of consumption.

The Ministry of People's Welfare in conjunction with the police enforce the opium laws. Previously, the Monopoly Bureau turned offenders over to the police, who were often over lenient. The anti-opium educational campaign is the special charge of the Concordia Society, a state organized patriotic party. The rehabilitation of addicts is now undertaken by government health officers, and more government hospitals are planned. The present capacity of all hospitals is 20,000 cures per year at the rate of 50 days per cure. The government maintained ten opium hospitals in 1938; while another 36 operated under various provincial administrations. Two hundred opium sanatoria with a view to accommodating and curing some 700,000 addicts within the next ten years is the ambitious goal set for 1950.

The new system of control and suppression is, on paper at least, a vast improvement on the Monopoly Bureau regime of the past. However, the difficulties are many. The under-officials of the General Smoking Prohibition Bureau will not find it easy to resist corruption, for the opium business still has a gross revenue of many millions of yen (50 million in 1939). If the reports in the vernacular press are any indication, there is still a large illicit traffic, which will increase as any determined control begins to operate. Other reports indicate that opium can still be purchased in numerous places without a permit, while the statement was made by the United States delegate in the 1939 meeting of the Opium Advisory Committee in Geneva that in 1938 there were 1,000 unlicensed opium dens in Harbin, only 76 licensed.

The curing of a million addicts within ten years is a well nigh impossible task. As long as forty per cent of the smokers

are still not registered by the government, it will be impractical to close the registration lists. In the first few years seventy per cent of addicts thought to be cured lapsed back into the habit. Opium revenue is still important for the increased needs of the Japanese army of occupation, while bandits, still unsubdued in the frontier districts, will not hesitate to encourage opium cultivation for their own profit. The illicit traffic on the Korean border has recently become so bad that opium is often used in lieu of currency.

On the other hand, it is now admitted by an increasing number of the inhabitants that an orderly system of government and a reasonably sound currency has resulted from the Japanese occupation of Manchuria, where before the interminable struggle between various warlords for the right to collect revenue had created chaotic conditions. Consequently, the people are resisting less and less laws which aim at any improvement in public welfare. Apparently there is even a growing enthusiasm for opium suppression, particularly among those who are conscious of a nascent Manchu nationalism. Evidences of the anti-opium campaign are often observed on billboards and in cinema films. The advisers to the General Smoking Prohibition Bureau are high government officials, most of whom are concerned with public welfare.

It is still too early to pass judgment on either the sincerity or effectiveness of the government's efforts. Opium revenue continues to mount. This might partly be due to the completion of the registration of opium smokers and the gradual tightening of government control over the sale of opium, and partly to effective measures taken against the illicit traffic. But it must also be remembered that a rise in the price of opium was reported to have been ordered for June 1938. Although this measure might have been designed to increase the revenue, it might incidentally serve to discourage smoking by making opium more costly, provided the illicit traffic is effectively checked. In theory, the proponents of the government monopoly system of con-

trol have claimed that the raising of the price of monopoly opium has resulted in the gradual suppression of opium smoking. In practice, increase of prices of government opium, during periods when smuggled supplies are limited, has almost invariably resulted in increase of smuggling. Then the price of monopoly opium has been forced down to meet the competition of low priced smuggled opium and the see-saw of policy commences anew, until smuggled opium is again reduced in quantity, the government monopoly opium is again increased in price, ad infinitum.

Gross sales for 1940 were estimated at MY104,412,000 and were increased by MY8,700,000 in supplementary estimates. The gross profit on sales for 1938, however, was MY36,422,000 and for 1939 it was estimated at MY49,698,000. After allowing deductions for the expenses of the monopoly, the net government profits are considerably less. The semi-official Japanese publication *Contemporary Manchuria*, places it at MY9,000,000 for 1938. This appears to indicate that MY12,000,000 which the government claims it spends annually in the campaign to cure addicts had been deducted from gross profits. What proportion of the expenses of police and customs is charged against the gross is unknown. The actual profit on opium pocketed by the government is probably somewhere half-way between the stated net figure and the gross sales. Whether this sum is really separated from general administration revenue in accordance with the new ordinances is difficult to ascertain: that it is used only for opium suppression work is extremely doubtful.

If the ten year program is successful, however, revenues will gradually decrease as further permits for smoking are prohibited and addicts are cured according to the government's plan. Consequently, amounts allocated to the dis-intoxication of addicts in the government budget will be further evidence of the government's motives. MY11,448,500, MY11,745,500, and MY12,422,500 was to have been set aside from the Monopoly Bureau's profits

in 1938, 1939 and 1940, and allocated for the following purposes:

	1938	1939	1940
Establishment of infirmaries...	1,000,000	300,000	..
Upkeep of infirmaries.....	1,330,000	3,370,000	4,040,000
Equipment for treatment of addicts.....	1,000,000	1,000,000	1,000,000
Upkeep for training institutions for addicts.....	67,500	337,500	607,500
Anti-opium campaign and general education.....	434,000	434,000	434,000
Regulation of use of opium and narcotics.....	434,000	434,000	434,000
Medical institutions and facilities	3,520,000	3,520,000	3,520,000
Redemption and refunding....	300,000	300,000	300,000
Improvement of opium sales offices.....	681,500	50,000	87,000
Increase in salaries of personnel	681,300		
Distribution of medicines for use in private homes.....	2,000,000	2,000,000	2,000,000
Total.....	MY11,448,500	MY11,745,500	MY12,422,500

Although a perusal of the 1939 budget does not specifically indicate this allocation, MY10,000,000 was transferred to "local finance special accounts," which may be for anti-opium suppression work. There was mention, however, of MY150,000 for the Fu Min Sanatorium and MY110,655 for other hospitals. The cornerstone of a 300-bed hospital near Mukden was laid April 22, 1939, and the building completed and patients admitted in early 1940. This hospital is supported by the national government and supervised by the General Smoking Prohibition Bureau. The extensive buildings, grounds and vocational facilities are modeled after Occidental and government narcotic sanatoriums, and similar rehabilitation methods are apparently being used.

It is difficult to determine the present number of opium smokers in Manchukuo. Whereas in 1931 it was estimated that there were about three million opium smokers, several Chinese estimates for obvious propaganda purposes have recently put the figure at over ten million, which represents 30 to 40 per cent of the population. That such an absurdity is often quoted as factual is an indication of the lack of more definite information. In August, 1938, the official

number of registered smokers was 592,352, or about 1.67 per cent of the total population.² Several neutral sources, however, have estimated the number of all smokers, registered and unregistered, at a million and a half. This appears to be an acceptable figure.

On the other hand, addiction to heroin and morphine is still more serious. Nearly a hundred thousand inhabitants are thought to be habitual users of the various forms of morphine, heroin and cocaine. A new development is the addiction of Japanese and Koreans. The *Manshu Nichinichi* of November 27, 1938, reports more than 1,000 Japanese or Korean addicts in Pinkiang Province, probably mostly in and around the city of Harbin. Further evidence of addiction among Japanese may stimulate the Japanese government to demand stricter execution of the Narcotic Drug Laws. A more effective method to attain the same end would be to prohibit the import of Iranian opium, of which 127,987 kilograms entered Dairen in 1938. This type of opium is largely used in drug manufacture.

It must be concluded that the Japanese sponsored regime is apparently making a more sincere effort to rid itself of the opium curse, which has plagued Manchuria for over a hundred years. Regardless of its original motive, the Manchukuo

² Number of Opium Smokers and Narcotic Users Registered.

(July 31, 1938)

Province	Population	Opium Smokers Registered	Percentage of Population	Narcotic Users Registered
Kirin	5,020,387	96,166	1.9%	3,657
Lungkiang	2,288,038	47,009	2.0%	1,144
Heiho	61,295	10,828	17.6%	375
Sankiang	1,049,995	19,008	1.8%	65
Pinkiang	4,536,979	157,096	3.4%	2,959
Chientao	636,867	5,289	0.8%	1,466
Antung	2,186,824	10,174	0.5%	612
Fengtien	9,291,382	94,776	1.0%	7,004
Chinchow	3,845,618	41,380	1.1%	11,157
Jehol	3,227,443	35,496	1.0%	1,295
Mutankiang	574,201	34,028	6.0%	244
Tunhua	806,877	15,872	2.0%	305
Hsinking Special Municipality	334,692	9,674	2.8%	206
Hsingan East Province	77,520	2,511	3.2%	*
Hsingan West Province	469,889	5,093	1.0%	103
Hsingan South Province	637,795	3,803	0.7%	32
Hsingan North Province	83,693	4,151	4.9%	*
Total	35,129,495	592,354	1.67%	30,624

* No report.

government cannot be criticized for attacking the serious drug problem, which it inherited, by means of monopoly control rather than by outright prohibition. The hypocritical suppression measures of the Chinese regimes of the nineteen-twenties had failed to reduce opium production or consumption. The Japanese controlled government in establishing the monopoly system has followed a precedent which has long been considered by the governments of the Far Eastern colonies of England, France and Holland as the most practical method of dealing with opium addiction. In fact, the Chungking government itself has its own system of monopoly control, which it claims is proceeding satisfactorily in Free China. Most experts of the problem have accepted this method as the most practical solution, providing a government is strongly centralized, can enforce its authority, is not dependent on opium revenues and sincerely devoted to the ideal of eventual suppression.

The Manchukuo authorities have always contended that in a country where in 1931 every eighth inhabitant was an opium smoker, the evil could never be eliminated until illicit cultivation, illegal sales and clandestine consumption are suppressed. Evidently, the Hsinking government has lately become convinced of its ability to control the source of the addict's supply. Therefore, gradual reduction of cultivation is now possible, and a more rigid control over smokers can be exercised. It is to be expected that increased revenues will result in relation to the growing effectiveness of the monopoly. But until there is evidence that the laws are not being enforced and that opium cultivation is increasing, the sincerity of the government cannot fairly be questioned. Although opium is still big business in Manchukuo, most recent reports have given rise to the belief that some progress is at last being made toward suppressing the opium habit.

CHAPTER IX

THE INTERNATIONAL ASPECT OF THE OPIUM PROBLEM IN THE ORIENT

Opium and the social and economic problems caused by its sale and use have at one time or another been the focus of international activity and have aroused an unusual amount of interest from internationally minded public opinion. Because the abuse of opium is associated with crime and vice, the problem has attracted the attention and the energy of those who by inclination feel bound to oppose and fight an evil. The crusader, whose primary effort is directed toward the eradication of the evil and the fight against crime; the missionary, whose main concern is the salvation of the victim from the clutches of the vice; the reformer, whose energies concentrate on devising means and measures capable of improving unsatisfactory conditions, have all found in anti-opium campaigns a field of activity most suitable to absorb their energies. Although morally satisfactory and beneficial to the promoters of this kind of anti-opium movement, these activities did not always advance the aim in view. The emotions aroused were often stronger than the knowledge of facts, and thus sometimes obscured the problem and made its solution only more difficult.¹

It was the influence of the emotional element on the technically complex problem of opium which on the one hand lifted it into the domain of great issues, and on the

¹ An example of this kind of attitude, taken from the older history of the anti-opium campaign in the 19th century, are Lord Ashley's (later Earl of Shaftesbury) vigorous attacks launched in 1843 and 1855 against the British Government. His impassioned speeches and memorials, based on imposing statistical material, impressed not only Parliament and public opinion, but also the government. The value of his interventions were, however, greatly diminished when it became evident—and the evidence was supplied by two missionaries, Dr. Hobson and the Rev. Dr. W. H. Medhurst, both men above suspicion of being in sympathy with the opium trade—that Lord Ashley's statements and figures were full of regrettable exaggerations.

other hand made it an irritant in the international sphere. It was not until January 1, 1909, however, when an International Opium Commission met at Shanghai, at the instigation of the United States, that the abuse of narcotics as an international problem was widely recognized.

The representatives of thirteen governments (Austria-Hungary, China, Great Britain, France, Germany, Italy, Japan, the Netherlands, Persia, Portugal, Russia, Siam and the United States) participated in the deliberation of the Shanghai Conference, at which were unanimously adopted nine resolutions which contain, in nucleus, all the questions which have since dominated the opium and dangerous drug problem. The delegates, although having no authority to sign a diplomatic act, recognized "that the use of opium in any form otherwise than for medical purposes is held by almost every participating country to be a matter for prohibition or for careful regulation," that "the unrestricted manufacture, sale and distribution of morphine already constitute a grave danger," and "that drastic measures should be taken by each government" to institute a proper control over this drug and all "other derivatives of opium . . . liable to similar abuse and productive of like ill effects," that "it is the duty of all countries to adopt reasonable measures to prevent at ports of departure the shipment of opium, its alkaloids . . . to any country which prohibits the entry" of the same, and finally, that "all governments possessing concessions or settlements in China, which have not yet taken effective action toward the closing of opium divans in the said concession and settlements, ought to take these steps as soon as they may deem it possible." Most important, however, was the question of the suppression of opium smoking. The American delegation proposed immediate prohibition, but finally compromised on a resolution recommending gradual suppression.²

² "Be it resolved: . . .

That in view of the action taken by the Government of China to the same end, the International Opium Commission recommends that each delegation concerned move its own Government to take measures for the gradual suppression of the practice of opium smoking in its own territories and possessions, with due regard to the varying circumstances of each concerned."

The delegates to the Shanghai Conference, however, had no powers to sign a diplomatic act. Three years later the representatives of the same states⁸ which participated at Shanghai met at The Hague to sign a Convention—since known as The Hague Opium Convention of 1912. Four subjects; raw opium, prepared opium, manufactured drugs and the special case of China, were considered. Again the question of China was uppermost, and in Article IV the contracting parties bound themselves to co-operate with the Chinese Government in order to prevent the smuggling of opium and drugs into China and obligated themselves to control the habit of opium smoking in their leased territories, settlements and concessions.

The Convention thus embodied certain principles advocated by the Shanghai Conference and made it incumbent on the various governments to use their best endeavors to put these principles into operation. However, every country was allowed to decide for itself the best means of effecting the provisions of the Convention, a procedure which later proved to be its greatest weakness.

The absence of provisions concerning the supervision of the application of the Convention by an international organ contrasted painfully with the clear recognition of all the delegates to the Conference that "it would be useless for those States represented in the Conference, and who were the largest producers of opium, morphine, cocaine, etc., to agree to radical measures for the international control of these drugs, so long as it was open to the nationals of those States not represented at the Conference to continue or take up the production of and traffic in these drugs." Although the principle of universality of the Convention as a condition for its success was thus clearly recognized, the parties balked at any international system of supervision and control because of their unwillingness to admit the slightest restriction on national sovereignty.

Before the Hague Convention could be ratified, except by the United States, the War of 1914 broke out. The Peace Treaties opened the way for further advance, both by bring-

⁸ With the exception of Austria-Hungary.

ing the Hague Convention automatically into force and by the insertion of Article 23(c)¹ in the Covenant of the League of Nations. However, at the close of the War drug addiction had become a social menace, and large scale recrudescence of opium cultivation had occurred in China. The "Advisory Committee on the Traffic in Opium and other Dangerous Drugs," appointed by the Council of the League of Nations in 1921, was thus faced with an exceedingly serious situation.

The terms of reference of the Advisory Committee are incorporated in the following extracts from the resolution adopted by the Assembly of the League on December 15, 1920 (first session):

That, in order to secure the fullest possible cooperation between the various countries in regard to the matter, and to assist and advise the Council in dealing with any questions that may arise, an Advisory Committee be appointed by the Council which shall include representatives of the countries chiefly concerned, in particular Holland, Great Britain, France, India, Japan, China, Siam, and Portugal, and shall, subject to the general directions of the Council, meet at such times as may be found desirable;

That in view of the importance of the cooperation of states which have ratified or may hereafter ratify the Opium Convention,* but which are not yet members of the League, the Netherlands Government be requested to invite their concurrence and cooperation in the arrangements indicated above, and that, in the event of such concurrence being given, the Council be authorized to add to the Advisory Committee, in the capacity of member or assessor, a representative of any such country which is specially concerned in the traffic, and that a special invitation be addressed to the United States of America; . . .

That the Advisory Committee shall, three months before the beginning of every session of the Assembly, present to the Council for submission to the Assembly a report on all matters regarding the execution of agreements with regard to the traffic in opium and other dangerous drugs. . . .

Through the information gradually collected by this Committee, the disquieting fact began to emerge that the production of opium and coca leaves and the manufacture

* The Hague Convention of 1912.

⁴ 52. And in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the League: ". . . will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs; . . ."

of drugs greatly exceeded the world's legitimate requirements, and that drug addiction was rapidly spreading all over the world. The Committee's first acts were to encourage the ratification and enforcement of the Hague Convention by all countries, to urge governments to impose stricter internal regulations, and, in particular, to press the adoption of the import and export certificate system⁵ which has now become one of the most effective weapons for controlling the international trade.

By thus revealing the extent of the drug evil, the Advisory Committee prepared the ground for the Geneva Conventions of 1925. Whilst the framers of the Hague Convention had tried in 1912 to cover the whole ground in one treaty, including both raw opium and manufactured drugs as well as prepared opium, the experience of the past eleven years led certain countries to believe it advisable to deal with the problem of opium smoking in a special Convention. Two separate Conferences were therefore summoned to Geneva in November, 1924: one—the so-called First Opium Conference—to negotiate an agreement for the suppression of opium smoking in the Far East, and the other—the so-called Second Opium Conference—to negotiate an agreement concerning the limitation of the production of raw opium, coca leaves and manufactured drugs.⁶

⁵ Under this system the drug importer has to obtain an import authorization from his government and the drug exporter, on applying for an export authorization from his government, must produce an import certificate issued by the government of the importing country and certifying the approval of the import.

⁶ The Second Opium Conference, at which thirty-six states were represented, concluded a Convention, signed in February, 1925. This Convention (1) introduced a stringent system of national control over manufactured drugs enabling the national administration to gather full information regarding the industry of and trade in narcotic drugs; (2) provided a legal basis for the import and export certificate system devised to control effectively the trade in drugs between the parties; and (3) created an international accounting system through an international agency, the Permanent Control Opium Board, invested with the duty of examining detailed drug statistics furnished by governments, and with powers to ask for an explanation from the government if the information at its disposal suggested that the country was in possession of excessive quantities of drugs or was in danger of becoming a center of illicit traffic. An independent organ of international supervision with a definite competence was thus created, invested with the power to prevent the export of all narcotics to the offending country by the contracting parties. This procedure is literally an economic sanction.

Representatives of eight States—British Empire, China, France, India, Japan, the Netherlands, Portugal and Siam—attended the First Conference.⁷ The principal achievement of the Agreement, signed at Geneva on February 11, 1925, was the gradual introduction in the Far-Eastern Territories of government monopolies for the importation and distribution of opium, other than retail sale, and the establishment “as soon as circumstances permit,” of a government monopoly for the manufacture of prepared opium. Thus the “farm system” was abolished, under which the right of dealing in opium was granted to a private individual or group bidding the highest price. In addition, the export of opium—raw and prepared—from a Far-Eastern possession into which opium was imported for smoking was to be prohibited. The Agreement applied only to the Far-Eastern Territories in which opium smoking was temporarily authorized, and its main purpose was to give effect to the provision of Chapter II of the Hague Convention by which the parties were pledged to the gradual and effective suppressing of opium smoking in their Territories. The Conference emphasized that to make good the omissions in the Hague Convention it was necessary to adopt a policy of limiting the production of raw opium to quantities which would leave no margin for illicit traffic. In the Protocol attached to the Agreement the parties therefore agreed that a Commission should be appointed “at the proper time” by the Council of the League to report when “the poppy-growing countries have ensured the effective execution of the necessary measures to prevent the export of raw opium from their territories from constituting a serious obstacle to the reduction of consumption in the countries where the use of prepared opium is temporarily authorized.” The complete suppression of the use of prepared opium was to be effected within fifteen years after the Commission had given its decision.

In spite of concessions reluctantly yielded by the other powers at the Conference, the United States refused to sign

⁷ The United States was also present in an observer capacity, due to its interest in the Philippine Islands.

the Convention, and along with China withdrew from the meetings. This conference was one of the stormiest ever held under League auspices, and was at the same time the first called by the League at which the United States was officially represented.

The reports reaching the Opium Advisory Committee after the Conferences of 1925 revealed that exports of drugs on a gigantic scale, which could not be explained by any legitimate demand, continued to be directed into the illicit traffic. The Committee, far from minimizing the gravity of the situation, disclosed year after year the world-wide ramifications of the illicit traffic, and in particular the appalling extent of this traffic in the Far East.

In the first three months of 1927 the amount of smuggled heroin confiscated in China amounted to 500 kilograms. Inasmuch as seizures were estimated at one-tenth of the illicit traffic, the total amount of heroin smuggled into China in the first quarter of 1927 must have reached 5,000 kilograms, when the legitimate needs of China for heroin in 1927 were less than 100 kilograms.

In the autumn of 1928, 6,000 kilograms of benzoylmorphine⁸ and 600 kilograms of heroin were illicitly imported into Dairen. In October and November, 1927, three cargoes of raisins from Trieste and Istanbul, concealing approximately 1,300,000 dollars' worth of narcotics were shipped as raisins to Shanghai. At the Session of the Advisory Committee in 1929 the British Representative submitted a document showing that 3,092 kilograms of heroin,⁹ 950 kilograms of morphine and 102 kilograms of cocaine escaped into the illicit traffic, of which 2,316 kilograms of heroin, 760 kilograms of morphine and 40 kilograms of cocaine had been destined for China. A Netherlands firm imported from German, French and Swiss factories, huge quantities of drugs, and was said to have exported to the Far East during 1927 and the first half of 1928, approximately 3,000 kilograms

⁸ This quantity represents 600 million doses, and would be sufficient to poison hundreds of thousands of people.

⁹ An amount which at that time would have met the requirements of Great Britain over a period of almost 25 years.

of heroin, 1,000 kilograms of morphine and 90 kilograms of cocaine.

European factories were not the only ones who supplied the illicit traffic in the Far East. Other reports indicated that the quantity of cocaine seized bearing Japanese marks of origin had risen from 154 pounds in 1928 to 922 pounds in 1929. The Japanese delegate admitted that until May, 1930, when the new regulations were put into force in Japan, the control of the export of narcotic drugs from that country had not been effective.

These and other facts, to which the Advisory Committee gave wide publicity, indicated that the Hague and Geneva Treaties had failed to produce the expected results, and that they had provided no guarantee and protection against the spread of drug addiction either in Europe or in the Far East. Finally, in September, 1929, the Tenth Assembly of the League of Nations unanimously adopted a resolution insisting on the necessity of taking steps "without delay to limit the manufacture of dangerous drugs to the amounts required for medical and scientific purposes." The Advisory Committee was requested "to prepare plans for such limitations"; and on May 27, 1931, a Conference for the limitation of the manufacture of narcotic drugs, attended by representatives of fifty-four States, met at Geneva. After long and sometimes tortuous deliberations the Conference adopted, on July 13, 1931, a Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, which was rightly acclaimed "a bold conception without precedent in the history of international relations and international law."

The terms of this Convention provide for effective limitation of the manufacture of narcotic drugs in the light of estimates supplied by the various governments. When such estimates are not supplied by the Governments, they are actually established by a Supervisory Body. These estimates are statements of obligations legally binding on all parties to the Convention, both in their relations with each other and with non-parties.

Although the 1931 Convention effectively prevented the surplus manufacture of narcotic drugs, the opium problem in the Far East remained as baffling and as complicated as ever. The Smoking Opium Agreement signed in Geneva in 1925 did not produce the expected results, and the situation rapidly deteriorated. In August 1928 the British Government submitted to the Council of the League of Nations a memorandum showing that the efforts to suppress the smuggling of opium had failed in the Far Eastern Territories in which opium smoking was still authorized, and that because of this fact the prospects of undertaking the gradual and complete suppression of the use of prepared opium had receded indefinitely.

The memorandum pointed out that the Geneva Agreement of 1925 (Article 12) had provided for a Conference which required periodic review of the position with regard to the application of that Agreement and of the Hague Convention (Chapter II) and that the first Conference should have taken place at the latest in 1929. To facilitate the task of this Conference, the British Government proposed that a Commission of Inquiry be sent to the Far East to investigate on the spot and report fully on the situation, a proposal partly aimed at disclosing the existence of the wholesale growth, trafficking and consumption of opium in China. In March 1929 an Opium Commission of Inquiry was appointed. It traveled extensively in the Far East but was refused permission by the Chinese government to investigate conditions in China,¹⁰ a denial of inspection which indicated an indefensible situation. A comprehensive report on the whole situation was released in October 1930, and a Conference called under Article 12 of the Geneva Agreement of 1925 subsequently met at Bangkok in November 1931, to review the question of opium smoking in the whole Far East.

The delegates of seven countries (United Kingdom of Great Britain and Northern Ireland, France, India, Japan,

¹⁰ China had objected in the Council meeting, September 1928, to an inquiry which did not concern all countries.

the Netherlands, Portugal, Siam) and an observer (United States of America) attended, but the Agreement adopted by the Conference in November 1931 did little more than add some improvements to the existing system of control, strengthening in only a few details the Agreement of 1925.¹¹ The Final Act of the Conference contained eleven recommendations, one of the most important of which was that dealing with the limitation of the production of opium. Indeed, the Conference announced that "the suppression of the use of prepared opium is dependent on the effective limitation of the production of opium." Considering that such a limitation could be achieved only through an international agreement, the Conference expressed the opinion "that all possible steps should be taken to bring about such agreement."

This recommendation is, in effect, an admission that the illicit traffic is only a secondary obstacle to the gradual suppression of the opium smoking, and that the primary cause is the over-production of opium. It was thought that by following the example of the Convention of 1931, which directly limited the manufacture of drugs, and by limiting by direct means the quantities of raw opium produced to legitimate needs, the illicit traffic would disappear and the prohibition of opium smoking would thus become feasible. Another important recommendation dealt with the registration, licensing and rationing of smokers as a method for absolute prohibition. The improvement of the social conditions of the classes from which smokers are drawn and the inclusion in the annual government report sent to Geneva of an account showing the annual opium revenue and expenditure were also recommended.

¹¹ The Bangkok Agreement contained three main provisions:

1. The retail sale of opium could take place only from government-owned shops by persons paid by a fixed salary. Payment by a commission on sales was to be abolished.
2. Persons under the age of 21 were to be prohibited from opium smoking and from entering a smoking establishment. Severe penalties were to be imposed on those who induce such persons to smoke, to enter a smoking establishment, or to procure opium.
3. Legal provision for the practice of selling prepared opium for cash only was made compulsory.

The Bangkok Conference is important because it clearly indicates the two opposing opinions held by various governments. The cleavage between what might be called the "colonial office attitude," as represented by the Colonial powers, and the more direct approach of the Chinese and United States Government has existed since the Conferences of 1925. Because this difference of viewpoint has in effect blocked the solution to opium smoking in the Far East, it is pertinent to examine the repercussions of the Bangkok Agreement.

The two states of mind were given manifested in the debate of the Opium Advisory Committee in 1932. The Chinese delegate rose to explain that his country had not participated in the Bangkok Conference because it had been convened under the Geneva Agreement of 1925, which China had not signed. The Chinese Government has always maintained that the measures for suppression of opium smoking contemplated in both Agreements would not accomplish the object in view, and had refused to accept any proposal which failed to give definite assurance that the use of prepared opium would be abolished within a clearly specified and reasonable period of time. Moreover, the Chinese delegate stated that he could not accept the conclusion (contained in the Final Act of the Bangkok Conference) that no radical measures for suppression of opium smoking were practicable while the production of opium continued on an enormous scale and while large quantities of opium were smuggled into the territories of the powers concerned. The Chinese Government was convinced on the contrary that the absolute prohibition of opium smoking would greatly facilitate the limitation of the poppy cultivation and opium production, and that the cultivation of the poppy would automatically diminish if there existed no non-medical consumption. The Chinese delegate furthermore protested against the attempt to place the responsibility for the meager results obtained at Bangkok on the smuggling of opium from China into the territories of the Western powers.

The representatives of certain countries not having possessions in the Far East and therefore non-parties to the Bangkok Agreement, in particular delegates of Italy, Spain, Belgium and Poland, also expressed their regret that the Bangkok Conference had not led to more impressive results. While appreciating the difficulties due to the situation in China, they urged a policy, the primary object of which would be to make the governments having possessions in the Far East independent of the sources of revenue derived from opium, inasmuch as such revenue amounted in certain instances to 30 per cent of the total revenue. The observer of the United States reaffirmed his country's traditional policy and called attention to the fact that continuance of monopolies as provided by the Bangkok Agreement could not prevent the illicit traffic. The United States has always maintained that there is only one method of suppressing the opium evil—namely, complete legislative prohibition of the manufacture, sale, possession and use of prepared opium, accompanied by vigorous and effective progressive measures of application.

On the other hand, the representative of the British government, who had actually attended the Conference, pointed out that most of the critics of the Bangkok Agreement represented governments which had never had to deal with the problem of opium smoking on a large scale and that the implication of this criticism was that the colonial governments in the Far East were actuated in their policy by sordid, pecuniary motives. The British policy in this respect had been clearly stated at the Geneva Conference of 1925, to the effect that financial considerations would not be allowed to prevent the suppression of opium smoking, as and when that became possible. Moreover, if a monopoly policy did not stop smuggling, neither did prohibition, as the experience of the United States in the Philippine Islands had proved. In rebuttal of the Chinese representative's statements, the British Government emphasized that China had made no attempt to show that its production of opium and the smuggling of opium from China did not exist on a large

scale. The Chinese government's report for 1930 had blandly stated that opium was only purchased in certain bandit-infested regions and that strict prohibition was enforced over the use of prepared opium. Such statements could hardly be reconciled with the mass of published information to the contrary, or with the protests of the Chinese Anti-Opium Association and a section of the Chinese Press.

Furthermore, the delegate of India pointed out that his government had, as an entirely voluntary act, decided to diminish by ten per cent annually the export of raw opium from India to the countries which imported opium for the purpose of manufacturing prepared opium.¹² This decision involved an annual loss of revenue of several million pounds sterling, and the delegate of India felt that since the proof of the financial disinterestedness of the government of India was complete, he could not accept any view which expressed or implied doubts as to the motives actuating the opium policy of India. The representatives of other powers (France, The Netherlands, Portugal, Siam) with territories where the opium smoking is still temporarily authorized, considered that they had fulfilled their obligations to the extent to which the suppression of opium smoking has been a practical possibility.

¹² In 1926, the representative of India on the Opium Advisory Committee made an important declaration on the policy which his government had adopted in respect to the export of opium. This policy is stated in the following resolution, which has been unanimously accepted by the Council of State and the Legislative Assembly in India:

"This Council recommends to the Governor-General in Council that immediate steps should be taken to give effect to the policy of progressively reducing the exports of opium from India, except for strictly medicinal and scientific purposes, so as to extinguish them altogether within a definite period."

This policy has been applied as from 1926; and in 1934 all exports of India opium, except on a minor scale for medical and scientific purposes, came to an end.

In 1929 the total quantity of opium exported from India was about 381,000 kgs.; in 1936 about 13 kgs. were exported!

India is the only opium producing country which on its own initiative and under no obligation of doing so has adopted and carried out within the time limit fixed the policy of suppression of opium exports to territories where opium smoking is authorized, even when such exports were requested by governments.

The opinions in the Opium Advisory Committee were thus clearly divided. The representatives of certain countries, non-parties to the Bangkok Agreement, who urged that immediate steps should be taken leading to the suppression of opium smoking in the Far Eastern Territories, reminded the Advisory Committee of the existence in the Protocol to the Geneva Agreement of 1925 of Articles II and III. These Articles prescribed that as soon as a special Commission—appointed by the Council of the League of Nations—had decided that the opium-producing countries had taken the necessary measures to prevent the exportations of raw opium from their territories from constituting a serious obstacle to the reduction of opium smoking in the territories where it is temporarily authorized, the powers possessing such territories would suppress the opium smoking therein within fifteen years from the date of the Commission's decision.

The Spanish delegate, voicing the desire of certain members of the Advisory Committee, presented a resolution asking the Council of the League to appoint the Special Commission in order that the period of fifteen years, prescribed for the suppression of opium smoking in the Far Eastern Territories might be fixed as speedily as possible. The object of this resolution was to show the necessity for a further advance in the campaign against opium smoking in the Far East. Delegates opposing this resolution pointed out that the Commission of Inquiry into the Control of Opium Smoking in the Far East had recently reported that "the large producers of opium . . . have not as yet, with the exception of India, efficiently limited the cultivation of the poppy and controlled exports of raw opium." There was, therefore, no evidence that the Advisory Committee could lay before the Council of the League to indicate that the preliminary conditions for the appointment of the Special Commission referred to in the Articles II and III of the Protocol to the Geneva Agreement of 1925 has been fulfilled. The resolution of the Spanish delegate was rejected by the Advisory Committee. Al-

though this decision seemed to postpone again *ad kalendas Graecas* the problem of opium smoking, the Advisory Committee, at the same session of 1932, did make a forward move by agreeing to consider the summoning of a conference of governments to investigate the possibility of *limiting and controlling the cultivation of the opium poppy and the production of and trade in opium.*

Thus the policy initiated in 1932 formally linked the problem of the suppression of opium smoking with the fundamental question of the effective limitation and control of opium production.

Since 1932, until the outbreak of war in Europe in 1939, the attention of the Advisory Committee as well as most international interest in narcotic affairs was directed to the alarming situation in the Far East. Widespread smoking still existed, the production of opium far exceeded the world's legitimate requirements, and the clandestine manufacture and consumption of narcotic drugs in the Far East had suddenly assumed really terrifying proportions. Paradoxically, the successful results of the Geneva Convention of 1925 and the Drugs Limitation Convention of 1931 added to the difficulties of China. After 1931 all European factories authorized to manufacture narcotic drugs were gradually brought under international control, and some fifteen factories engaged largely in manufacturing drugs for export to China were closed. When it became practically impossible for the illicit traffickers to obtain supplies in Europe, they moved off to countries where the poppy was cultivated for the production of opium and where the control was inadequate. Clandestine factories first sprang up in certain Balkan countries and in the Near East. When the control was tightened in these countries as a result of effective measures taken by the Opium Advisory Committee and the governments concerned, the traffickers pushed further on —this time to the Far East. Large quantities of dangerous drugs began to appear in China, greatly increasing drug addiction in Chinese cities and creating a surplus of drugs

which began to find their way into the United States of America, Canada, Egypt and some European countries.

The activities of these drug traffickers in China were facilitated not only by abundant supplies of raw opium easily obtained in the country, but also by the inability of the central government to apply effectively international opium agreements. Moreover, the political situation created by the Sino-Japanese conflict over Manchuria and Jehol, which resulted in the administrative separation of these provinces from China had enabled traffickers and clandestine manufacturers to operate unmolested.

The Committee could only avail itself of the official testimony of other governments' representatives, particularly those of the United States, Canada and Egypt. The government of China itself submitted yearly reports, laying before the Committee masses of questionable statistical data. The Committee urged the Chinese delegate to supply specific information regarding the revenue obtained from the opium traffic by the provincial governments; but even as late as 1936 no detailed statistics were available, either in regard to financial reports or in respect to the areas planted with poppy, the production of raw opium, the trade of opium both raw and prepared, the quantities of raw opium used for producing opium prepared for smoking, or stocks accumulated in the country.

The frank and public exposition in Geneva and in the world press of the situation in China resulted in a general inquiry, ordered by the Chinese government, into the whole problem of opium and narcotic drugs in China, which finally induced the Chinese government to adopt the new methods of fighting the drug evil in China, which have been described in Chapter III. The success of these measures and the sincerity of the government was not recognized until 1935, when its report of conditions was realistic enough to be acceptable to most members of the Committee. Therefore, in June 1937, recognizing that the Chinese government was at last making a real effort to eradicate the opium and drug evil, the Advisory Committee passed a resolution

to the effect that "the situation in China shows that the efforts of the Chinese government have brought about improvement in that country." The statement was guarded, no figures were quoted, judgment as to the final results of the "Six-year plan" was fully reserved, but improvement in the situation was at least recognized.

Meanwhile, evidence had been accumulating since 1931 that Japanese nationals were heavily involved in the illicit traffic in China. The Chinese government continually made such charges at Geneva which culminated in 1938 when the representatives of China called attention to "the poisoning of the Chinese people in all parts of China where Japanese influence penetrated or where the drugs of which the Japanese authorities might have prevented the manufacture or distribution were to be found." Other governments led by the United States also pointed out to the Committee that in regions of China under Japanese influence or occupation the situation had deteriorated to an alarming extent. It was well known to the Committee that even before the occupation of Manchuria and Jehol by Japan, opium was produced and used there to a great extent and that considerable revenues were derived therefrom through taxation by the authorities. Shortly after the creation of the "Manchukuo" state, the Committee learned that the new regime had set up a Government Opium Monopoly, from which large revenues were anticipated. A great number of opium shops and smoking establishments had been opened, and the area under authorized poppy cultivation had been increasing each year. Other data submitted to the Committee at various sessions indicated that in addition to opium, morphine and heroin were making heavy inroads in "Manchukuo," and that the illicit traffic in these drugs was being rapidly extended southward into North China by Japanese and Korean peddlers. Although the abuse of drugs was severely punished in Japan itself, the Japanese and Koreans, living under extra-territorial jurisdiction, were liable to penalties which were described by one member of the Committee as "derisory."

As to the parts of China occupied by the Japanese army since July 1937, the information put at the disposal of the Committee by several of its members showed that the situation there, far from improving, was worse than ever. It was said that the production and consumption of opium, morphine and heroin had not only been tolerated but also encouraged by the Japanese military authorities, and that occupied provinces where poppy-growing had been prohibited by the Chinese government since 1934 had begun to produce opium again. The profits of one of the monopolies (the Amoy monopoly) were disclosed to have been shared between officials of the Japanese navy, the Japanese Consulate and the puppet government set up by the Japanese.

As a result of such disclosures in the Advisory Committee meetings, a number of resolutions, increasing in severity, were passed. In 1936 the Committee resolved in its report to the Council of the League that the government of China be urged to "continue and intensify its efforts . . . towards . . . suppressing the clandestine manufacture and the illicit traffic in narcotic drugs in the territory under its control." At the same time an appeal was addressed to the Japanese government "to take such action as may be necessary to provide penalties for the illicit traffic in narcotic drugs and for their manufacture likely to act as effective deterrents wherever Japanese jurisdiction extends." The Council of the League endorsed these resolutions and instructed the Secretary-General to communicate them to the governments.

In 1937, after reviewing the report of China for 1935, the Committee concluded that the situation actually existing in the year 1936 was a "very real danger not only to the peoples of these regions, but also the whole world." The Committee therefore adopted a resolution in which it

Relied on the Government of Japan to take immediate and effective steps to put an end to clandestine manufacture and drug trafficking carried on by Japanese subjects in China and especially in those parts of China which are particularly affected by the illicit traffic;

Appealed to the Governments of China and Japan to establish close co-operation wherever this is necessary for the purpose of combating clandestine manufacture and the illicit drug traffic; and

Recommended that the Council should communicate officially to the Governments of China and Japan and to the other interested Governments, through the Secretary-General, the Minutes of the Advisory Committee's discussion on the situation in the Far East at its sittings on June 1 and 2, with the request for the observations of these Governments on the facts disclosed by the discussion.

The statements made in the twenty-third session of the Opium Advisory Committee in 1938 again pointed to the complicity of Japanese nationals in the alarming increase in narcotic addiction in China. During 1937 war had broken out between China and Japan, and the effective control of the Chinese government in many provinces had greatly diminished. The discussions were more acrimonious, the denunciations more severe, and the evidence of neutral observers more condemnatory than ever before. The United States representative concluded that

The situation in the parts of China under control of the Chinese National Government continued to give evidence of sincere efforts with encouraging results. The situation in Macao continued to call for explanation. Finally, the situation in the parts of China under Japanese control was worse than ever and again caused the entire world serious apprehension.

The Committee, however, was only moved to

Once again draw the attention of the Council to the gravity of the situation as revealed by the discussions which took place during the present session;

Request the Council to ask the Governments concerned to take the most vigorous action with a view to remedying this situation;

Recommend that the Council should officially communicate to the Governments of China and Japan and to the other Governments concerned, through the Secretary-General, the Minutes of the Advisory Committee's discussions on the situation in the Far East at its meetings on June 13, 14, 21, 22 and 23, and should request those Governments to transmit their observations on the facts brought to light by those discussions.

The weakness of the resolution in comparison with previous years, especially in view of the seriousness of the situation, was most probably due to appeasement politics in general and more specifically to the threat of the Japanese representative to withdraw from the Committee.

The Committee was thus in agreement in giving full publicity to the responsibilities of the Japanese Government.

Japan however had already given notice of withdrawal from the League in 1933 and on March 27, 1935, it ceased to be a member. The Opium Advisory Committee took the view that it was desirable to retain the co-operation of Japan in connection with social questions, particularly because of the drug situation in the Far East. Moreover, it afforded the Japanese Government an opportunity publicly to state its case to the world in general. The Committee, therefore, asked the Council of the League to invite the Japanese Government to retain its representation. In a letter dated May 20, 1935, to the Secretary-General of the League, the Japanese Government accepted the invitation on the understanding that its participation in the work of the Committee in no way affected its position as a non-member of the League.

Japan was thus represented, not only on the Opium Advisory Committee, but a Japanese national retained membership on the Permanent Central Opium Board in a technical and non-governmental capacity as well. Aware as he was of his country's obligations, the Japanese representative on the Committee was placed in a most disconcerting position by the facts disclosed by representatives of other governments. Time and again he was moved to reaffirm that his government's policy of suppressing the abuse of drugs remained unaltered and was in accord with the aims pursued by the Committee. He reminded the Committee in 1937 that his country had recently strengthened Japanese legislation against illicit traffickers by three new ordinances applying to Japanese nationals in China and Manchukuo. Moreover, a treaty had been concluded between the latter country and Japan providing for the application of Japanese nationals of the Manchukuo laws and regulations concerning opium. Further, the Japanese government had asked its consular authorities in China to inflict, as far as possible, the severest penalties against Japanese traffickers.

The invasion of China by the Japanese army in 1937 served to heighten the feeling of certain members of the Committee against Japan. The accusations of the Chinese

member became increasingly bitter to the point of charging Japan with pursuing a policy of deliberately poisoning the Chinese people. Although such statements were somewhat discounted by the majority of members, the American representative substantiated the charges by setting before the Committee statistical data and press reports culled from official American sources in China.

In rebuttal the Japanese delegate denied that the increase of the illicit traffic in China coincided with the Japanese advance. He admitted, however, that in certain regions of North China "defense considerations" naturally took precedence over all others and the solution of the drug problem would be greatly facilitated by the restoration of peace and tranquillity, an argument which shifted the responsibility onto those Chinese who continued to resist the Japanese invasion. He confirmed the statement made by the representative of the United States of America that even Japanese public opinion was alive to the defects of the opium monopoly in Manchukuo, but continued to insist that his government had spared no effort to improve the situation in Manchukuo, to the point of initiating a ten-year plan for the complete suppression of both opium and drug addiction. He stated that in 1937 the campaign had started with the expulsion of 6,000 illicit traffickers and the enforcement of new narcotic drug regulations. As to the responsibility of the Japanese army for the spread of the drug evil in occupied Chinese provinces, he denied categorically the charges that the Japanese military authorities, or any officer of the Japanese army, had encouraged illicit traffic or illicit manufacture or that the army was implicated in any way.

In 1938 the Japanese representative reminded the Committee that his Government had decided, even after its withdrawal from the League of Nations, to continue its participation in the Committee's work, but only "so long as the Committee kept its traditional impartiality." During the sessions of the Committee meetings the Japanese delegate threatened to withdraw, particularly when the representative of China requested permission to submit evidence

in the form of moving pictures of drug trafficking in the Japanese Concession in Hankow. Such threats, however, had the effect of softening the temper of the Committee's resolutions for that year, to the disgust of the non-European delegates. It is not too much to say that world politics strongly affected even the deliberations of the League's social questions during this era.

Having examined the minutes of the 1938 session of the Committee, during which Japan was once again severely criticized for its attitude in the drug question in China, the Japanese government apparently reached the conclusion that the Committee was not observing with regard to Japan "its traditional impartiality." In the report of the Council of the League on the work of its 1939 session, the Opium Advisory Committee stated laconically: "Japan has withdrawn from the Committee."

The record of eight years of unremitting efforts by the Opium Advisory Committee to improve the drug situation in China since the Manchurian Incident, shows more clearly than anything else the limits of international co-operation in the technical and humanitarian sphere, even if this co-operation is co-ordinated and supervised on the basis of universally ratified international conventions, and by an international agency vested with a great authority. Whereas in the case of other countries the publicity given by the Committee to the activities of traffickers and to drug addiction had finally produced the desired results, which were evidenced in measures taken by the countries concerned, the criticism made year after year concerning the situation in the Chinese territories under Japanese occupation had no such salutary effect.

The debates of the Opium Advisory Committee on the Far East between 1932 and 1939 sustain the conclusion that the success of the international anti-drug campaign depends essentially on (1) the universal ratification of international conventions, (2) their adequate enforcement *in all countries* by able, experienced and efficient national agencies, (3) close and active co-operation between the governments and

an international co-ordinating and supervising authority and (4) a minimum of political stability based on the respect by all countries of certain minimum standards in the conduct of international affairs, as has been so continually maintained by the United States Secretary of State.

It must be realized, however, that political stability in China has not been possible since 1931. A belief exists that Japan did realize the indefensibility of the narcotic situation in its conquered territories, a situation concerning which it may have had no conscience until the representatives of Occidental nations brought it to world attention. The efforts of liberal Japanese statesmen to rectify these conditions are apparently meeting with some success in Manchuria, but they have been premature in other parts of China where such efforts are being frustrated by the exigencies of a military campaign. The social problems in the newly occupied territories are naturally dictated by the policies of the army in the field rather than from Tokyo.

Had the League of Nations maintained its authority in the Manchurian crisis of 1931, it might well have been possible to terminate opium and drug trafficking in the Orient by political pressures. In recent years even more drastic action might have been taken if policies in Geneva had not been aligned to the major political policies of European countries, who are also concerned in the Far East. Nevertheless, the League did employ its most telling weapon against narcotic abuses—publicity and the stimulation of world opinion against a recognized social evil. Such a weapon, however, cannot be very effective, except in periods of social conscience and in the absence of political upheaval.

Therefore, it must be concluded that because the opium problem, particularly in China, is closely connected with a political situation, it cannot be solved in this area until a period of social and economic construction is made possible by a solution of the political and military conflict now raging.

ANNEX I

NATIONAL GOVERNMENT MANDATE

Chungking
February 19, 1941

The Provisional Regulations on Penal Offenses Relating to Opium Suppression and the Provisional Regulations on Penal Offenses Relating to Suppression of Narcotics are hereby abolished.

The Provisional Regulations on Penal Offenses Relating to Suppression of Opium and Narcotics are hereby enacted and promulgated.

*PROVISIONAL REGULATIONS OF PENAL OFFENSES
RELATING TO SUPPRESSION OF OPIUM AND
NARCOTICS*

Article 1.

The term "opium" used in the present Regulations refers to opium, poppy plants and poppy seeds. The term "narcotics" refers to morphine, cocaine, heroin and their derivatives including various kinds of colored narcotic pills.

Article 2.

Persons cultivating poppies or manufacturing opium or narcotics shall be subject to the death penalty.

Article 3.

Persons instigating mob resistance against the uprooting of poppy sprouts shall be dealt with as follows:

1. The ringleader or other persons directing the mob on the spot—the death penalty.
2. Rioters—imprisonment for a term of 7 or more years.
3. Those who demonstrate on the spot—imprisonment for a term of 3 to 7 years.

Article 4.

Persons transporting or selling narcotics shall be subject to the death penalty; those possessing narcotics with the intention of selling same shall be given the death penalty or life imprisonment. Persons transporting or selling opium shall be given the death penalty or life imprisonment; those possessing opium with the intention

of selling the same, imprisonment for a term of 10 or more years. Persons transporting or selling poppy seeds shall be sentenced to imprisonment for a term of 5 to 12 years; those possessing poppy seeds with the intention of selling the same, imprisonment for a term of 2 to 7 years. Persons exporting or importing poppy seeds to or from abroad shall be given the death penalty.

Article 5.

Persons giving to others morphine injections or providing premises for others to smoke or to take narcotics for profit shall be given the death penalty; those providing premises for others to smoke opium shall be given the death penalty or life imprisonment.

Article 6.

Persons taking morphine injections or smoking or using narcotics shall be given the death penalty.

Persons smoking opium shall be sentenced to imprisonment for a term of 1 to 5 years, and may in addition be liable to a fine of not more than \$1,000. Addicts shall be sent to doctors for compulsory treatment, to be cured within a specified period; and those found to be addicted again after having been cured shall be given the death penalty or life imprisonment.

Article 7.

Persons helping others to commit the offenses stipulated in Article 6 of the Regulations shall be sentenced to imprisonment for a term of 1 to 7 years.

Article 8.

Persons manufacturing, transporting, selling or possessing with the intention of selling, paraphernalia exclusively used for morphine injection or taking of narcotics shall be sentenced to imprisonment for a term of 3 or more years and may in addition be liable to a fine of not more than \$3,000. Persons manufacturing, transporting, selling or possessing with the intention of selling, paraphernalia exclusively used for opium-smoking shall be sentenced to imprisonment for a term of not more than 5 years, and may in addition be liable to a fine of not more than \$1,000.

Article 9.

Persons possessing opium or narcotics without any evidence of committing other offenses shall be sentenced to imprisonment for a term of 1 to 5 years and may in addition be liable to a fine of not more than \$1,000. Persons possessing paraphernalia exclusively used for opium-smoking, smoking or taking of narcotics, or morphine in injection, without evidence of committing other offenses shall be

sentenced to imprisonment for a term of not more than 3 years or a fine of not more than \$500.

Article 10.

Persons placing the contraband in the possession of others or forging evidence with intent to bring false charges of violations of the present Regulations shall be subjected to the penalties provided for in the Articles concerned. The same applies to persons acting as witnesses and examiners who make false statements or reports; but if the objective of their so doing is to the advantage of defendants, the penalties may be alleviated.

Persons committing the above two crimes who surrender themselves before judgments are established may have the penalties alleviated.

Article 11.

Public functionaries, soldiers or police found violating Articles 3-5 shall be given the death penalty; those found violating paragraph 2 of Article 6 or Articles 7-10 shall be subjected to the maximum punishment specified therein.

Article 12.

Public functionaries, soldiers or police found taking advantage of their official authority to force others to commit the offenses provided for in Article 2 shall be given the death penalty.

Article 13.

Public functionaries, soldiers or police found affording protection to or demanding or receiving bribes from others, thus permitting them to commit the offenses provided for in Articles 2-8 of the present Regulations shall be given the death penalty.

The same penalties may also be applicable to public functionaries, soldiers or police found conniving in the freeing of offenders violating the present regulations or pilfering, substituting or concealing the seized opium or narcotics.

Bribes involved in the commission of offenses stipulated in paragraph one of this Article shall be confiscated. If all or part of the bribes are not available at the time of confiscation, the offender shall be required to pay the amount. If such payment cannot be made on account of financial difficulties, properties shall be confiscated to cover it. When the value of properties is not sufficient to cover the amount so required, a sum necessary for the maintenance of their families shall be set aside.

Article 14.

Persons committing the offenses referred to in Article 2 of the present Regulations who disclose information regarding the origin

of the poppy seeds or of the materials for narcotic preparation, thus enabling the discovery thereof, may have their penalties alleviated. Persons committing the offenses referred to in Articles 4-7 of the present Regulations who disclose information regarding the origin of the opium or narcotics, thus enabling the discovery thereof, may have their penalties alleviated. Persons committing the offense referred to in paragraph 2 of Article 6 of the present Regulations who voluntarily have their addiction cured before their crime is discovered may have their penalties alleviated or exempted if such are confirmed by medical examination.

Article 15.

Persons found guilty with criminal intent to violate Articles 2-5, 8, 12 and 13 of the present Regulations shall be punished.

Article 16.

Poppy seeds, opium, narcotics, and paraphernalia exclusively used for the manufacture or smoking of opium and narcotics involved in the commission of offenses stipulated in the present Regulations shall all be confiscated and destroyed by fire. The same provision shall apply to caffeine, milk sugar and quinine alkaloid and other substances which are identified with the exclusive use of manufacturing narcotics.

Article 17.

Persons receiving imprisonment penalties for a term of 6 or more months, in accordance with Articles of the present Regulations shall be deprived of civil rights for a term of 1 to 10 years.

Article 18.

Persons violating Articles 2-5 of the present Regulations may have their properties confiscated, in part or in whole. Such confiscation of property may be effected according to the provisions of the **LAW OF COMPULSORY ENFORCEMENT**.

Article 19.

The death penalty may be effected by shooting.

Article 20.

Offenses not stipulated in the present Regulations shall be governed by the provisions of other laws and ordinances.

Article 21.

Opium, morphine, cocaine, heroin and their derivatives or preparations for medicinal and scientific use shall not be subjected to the present Regulations, but to the **REGULATIONS GOVERNING NARCOTIC DRUGS**.

Article 22.

Offenses coming within the present Regulations shall be tried by authorities invested with the right of military jurisdiction as designated by the Chairman of the Military Affairs Commission, or by various local governments deputized by the same authority.

The judgments rendered according to the provisions of the above paragraph shall not be enforced without the approval of the Chairman of the Military Affairs Commission.

Article 23.

The period of enforcement of the present Regulations is fixed for three years.

Article 24.

These Regulations shall become effective from the date of promulgation.

ANNEX II

ORDINANCE CONTROLLING NARCOTICS IN CHINA

(Promulgated in the KANPO or Official Gazette on August 13, 1941; translation made by Okuyama Service, Tokyo, and checked against the original in Japanese. Minor changes were made as a result.)

We have sanctioned the "Ordinance Controlling Narcotics in China" and cause the same to be promulgated.

Imperial Sign Manual
Imperial Seal

August 12, 1941

Prime Minister,
Prince Fumimaro Konoye;
Minister for Foreign Affairs,
Teijiro Toyoda.

Ordinance Controlling Narcotics in China
(Imperial Ordinance No. 815)

Article 1.

The control of narcotics and crude opium in China for Japanese subjects and Japanese corporations shall be governed by the stipulations of this Ordinance.

The kind of narcotics mentioned in the preceding paragraph shall be determined by the Minister for Foreign Affairs.

Article 2.

Narcotics and crude opium cannot be manufactured in China. Poppies cannot be cultivated in China for the purpose of manufacturing crude opium.

Article 3.

Narcotics and crude opium cannot be exported from China.

Article 4.

Narcotics and crude opium cannot be imported into China.

Article 5.

Narcotics cannot be transferred from the jurisdictional district of one consulate in China to the jurisdictional district of another consulate.

Article 6.

Narcotics and crude opium which are in China cannot be assigned to others or obtained by transfer, nor can they be delivered or accepted.

Article 7.

Those provisions of the preceding three Articles which relate to narcotics shall not apply in cases where doctors, druggists or other persons who are designated by the Minister for Foreign Affairs, import, transfer, assign to others, obtain by transfer, deliver or accept narcotics in accordance with the stipulations made by the Minister for Foreign Affairs.

Article 8.

Narcotics cannot be possessed in China for the purpose of selling, except by druggists.

Crude opium cannot be possessed in China.

Article 9.

Except in cases corresponding to any of the following numbers, narcotics cannot be administered to oneself or to other persons in China.

1. When a doctor administers them in his professional capacity.
2. When a patient or his nurse administers them according to the instruction of a doctor in his professional capacity.
3. In addition to the cases mentioned in the preceding two numbers, when a person designated by the Minister for Foreign Affairs administers them in accordance with the stipulations made by the Minister for Foreign Affairs.

Article 10.

A doctor within the meaning of this Ordinance shall be a doctor, dentist or a veterinary surgeon who is designated by the Minister for Foreign Affairs. A druggist within the meaning of this Ordinance shall be a person who is engaged in the business of manufacturing medicines or a person who is engaged in the sale of medicines and who is designated by the Minister for Foreign Affairs.

Article 11.

A person who has acted in contravention of the provisions of Articles 2-6, Article 8 or Article 9 shall be liable to penal servitude not exceeding one year or a fine not exceeding Yen 200.

An attempt to violate any of the offenses mentioned in the preceding paragraph shall also be punished.

Article 12.

A person who has prepared a machine or raw materials in China for the purpose of manufacturing narcotics in China shall be liable to penal servitude not exceeding six months or to a fine not exceeding Yen 100.

Article 13.

In addition to the stipulations made in Articles 2 to the preceding Article, other necessary matters concerning the control of narcotics shall be determined by the Minister for Foreign Affairs.

Supplementary Rule

This Ordinance shall be enforced as from August 20, 1941.

**REGULATIONS FOR THE ENFORCEMENT OF THE
ORDINANCE CONTROLLING NARCOTICS IN CHINA**

(Promulgated in the KANPO or Official Gazette on August 18, 1941 and made effective from August 20, 1941. Translation prepared by the Reporting Section.)

Regulations for the enforcement of the Ordinance Controlling Narcotics in China are fixed as follows:

August 18, 1941.

Teijiro Toyoda,
Minister for Foreign Affairs.

**ORDINANCE CONTAINING REGULATIONS FOR THE ENFORCEMENT OF THE
ORDINANCE CONTROLLING NARCOTICS IN CHINA**
(Ministry of Foreign Affairs Ordinance No. 32)

CHAPTER NO. 1—DEFINITIONS*Article 1*

The kinds of narcotics, in accordance with Article 1 of the Ordinance Controlling Narcotics in China (hereafter designated as the Controlling Ordinance), are determined as follows:

1. Morphine and diacetylmorphine, other morphine esters and the salts of each.
2. Crude morphine and crude cocaine.
3. Ecgonine (regardless of degree of specific rotation) and cocaine, other ecgonine esters and salts of each.
4. Dihydroxycodeinone, dihydrocodeine, dihydromorphinone, acetyl-dihydrocodeinone, dihydromorphine and esters and salts of each.

5. Codeine, ethylmorphine, benzylmorphine, other morphine ethyl and salts of each.
6. Morphine n. oxide, other five-valent nitrogen morphine and their derivatives. (Note: Translated exactly as given.)
7. Dihydrocodeine and thebaine and salts of each.
8. Substances from which the following can be extracted, at the rate of more than 2 parts per 1,000 parts; morphine, morphine esters (excluding diacetylmorphine) or morphine ether (excluding codeine and ethylmorphine) or substances from which diacetylmorphine can be extracted (regardless of parts per 1,000 parts.)
9. Dihydro-oxycodainone, dihydro-codeinone, dihydro-morphinone, acetyl dihydrocodeinone, dihydromorphine or esters of each or five-valent nitrogen morphine or substances from which their derivatives may be extracted at the rate of more than 2 parts per 1,000 parts. (Note: Translated exactly as given.)
10. Ecgonine or cocaine or substances from which ecgonine esters may be extracted at the rate of more than 1 part per 1,000 parts.
11. "Garnenus," a prescribed medicine from Indian hemp (extract and tinctures). (Note: This is assumed to be guaza or Cannabis Indica.)
12. Opium for medicinal use.
13. Others to be specified by the Minister for Foreign Affairs.

Article 2

A doctor as specified in Article 10 of the Controlling Ordinance is a person who is engaged in the medical profession, dentistry or veterinary science, with a permit from the (Japanese) consul in China; a druggist is a person who received a permit from the consul and who is engaged in the business of filling prescriptions, manufacture or sale of medicines. A doctor or druggist is considered to be in the same category in so far as the present ordinance is concerned. (Note: This article applies only to Japanese doctors and druggists.)

Article 3

A foreign doctor in this ordinance means a foreigner (i.e. a non-Japanese) who is engaged in the medical, dental or veterinary professions in accordance with foreign law; a foreign druggist is a foreigner (i.e. a non-Japanese) who is engaged in the business of filling prescriptions, manufacture and/or sale of medicines.

Article 4

A person who is studying the sciences covered by this ordinance means a person who is studying such sciences in China as his main occupation.

Article 5

The supervisory (Japanese) consul in this ordinance is, in the case of doctors, druggists and students, the consul who supervises the district in which the business office is situated; in the case of others, the consul supervising the district in which their residence or other place of abode is located.

Article 6

Imports in this ordinance mean imports into China. Internal shipments mean shipments from one Japanese consular district to another district.

CHAPTER NO. 2—IMPORTS & INTERNAL SHIPMENTS*Article 7*

Doctors, druggists or students shall be unable to import narcotics which were not sealed by the (Japanese) Government's Hygienic Laboratory and similar institutions or by those engaged in the business of filling prescriptions or by druggists, including those persons corresponding thereto, who manufacture medicines.

Article 8

Doctors, druggists and students shall obtain a permit from the Minister for Foreign Affairs when they desire to import narcotics.

Those who desire to obtain the permit mentioned in the preceding paragraph, hereafter called the narcotics import permit, shall submit an application for permit in duplicate to the Minister for Foreign Affairs through the supervisory (Japanese) consul giving information on the following points:

1. Applicant's name, firm's name, occupation and location of business office.
2. Purpose of import.
3. Kind, name and amounts of narcotics.
4. Name, firm's name, occupation and location of business of shipper.
5. Point of shipment.
6. Place of importation or port of importation.
7. Destination after importation.

8. Method of sending or transportation route.
9. Period of importation.

Article 9

When the narcotics import permit is granted it will contain the information called for in the second paragraph of the preceding article and also the date when the permit was granted.

Those in receipt of a narcotics import permit shall import narcotics in accordance with the statements given on the permit.

Article 10

A person in receipt of a narcotics import permit who desires to change information supplied for Items 2, 3, and 5 to 9 inclusive of the second paragraph of Article 8, or when desiring to change the shipper, shall obtain a permit from the Minister for Foreign Affairs.

Those who desire to obtain a permit in accordance with the preceding paragraph shall submit an application in duplicate, with the original permit attached, to the Minister for Foreign Affairs, through the supervisory consul, listing the item or items to be changed and the reasons therefor.

When the permit covered by the first paragraph was granted, a revised narcotics import permit will automatically be issued.

Article 11

A holder of a narcotics import permit desiring to change Item 1 of paragraph 2 of Article 8 or when aware that a change has occurred in Item 4, shall report the change to the Minister for Foreign Affairs through the supervisory consul within five days.

Article 12

When a holder of a narcotics import permit has imported all of the narcotics listed on the permit or when all or part is not imported within the period stated on the permit, he shall report this to the Minister for Foreign Affairs through the supervisory consul within 10 days after the period has elapsed, the report to be forwarded with the permit attached.

For reporting imports of narcotics in accordance with the previous paragraph, an export permit granted by the authorities concerned (including foreign government offices) or an attested copy of a certificate covering the change in destination shall be attached.

Article 13

A patient or a person nursing a patient may import medicine containing narcotics if necessary from the standpoint of curing the

sickness. However, the amount of medicine brought in may be sufficient only for seven days' treatment.

A patient or a person nursing a patient when importing or bringing in a medicine containing narcotics in accordance with the preceding paragraph, shall report the following information within five days to the supervisory consul having control over the place of importation:

1. Name and address of importer or person bringing in the medicine.
2. Name, age and address of patient.
3. Name of disease of patient.
4. Name of the doctor, name of the medical office and address of the doctor's office (including doctors and dentists who operate their business outside of China) or foreign doctors (in China), who delivered the medicine or who prescribed the medicine.
5. Amount of medicine and dosage prescribed.
6. Date of importation.
7. Place of importation into China.
8. Ultimate destination in China.

Article 14

Doctors, dentists and students desiring to ship narcotics internally in China (i.e., from one Japanese consular district to another) must receive a permit to do so from the supervisory consul of the place at which the narcotics are located. However, when holders of a narcotics import permit ship the imported narcotics, after importation, to the destination shown on the permit, this is not necessary.

Those desiring to obtain the permit mentioned in the preceding paragraph, hereafter called the narcotics internal shipment permit, shall submit an application in duplicate to the consul mentioned in that paragraph, giving information on the following points:

1. Name of applicant, name of firm, occupation and location of business office.
2. Need for making shipment.
3. Kind, name and amount of narcotics.
4. Name, firm's name, occupation and location of business office of receiver.
5. Place from which shipment is being made.
6. Place of destination.
7. Method of sending and transportation route.
8. Period during which shipment will be made.

Article 15

When a narcotics internal shipment permit is issued by the

consul it shall contain the information called for in the second paragraph of the preceding article and the date of the permit.

Those in receipt of a narcotics internal shipment permit shall make shipments in accordance with the statements given on the permit.

Article 16

A holder of a narcotics internal shipment permit desiring to change information supplied for Items 2, 3 and 5 to 8 inclusive of the second paragraph of Article 14, or when desiring to change the receiver, shall obtain a permit from the consul mentioned in the first paragraph of Article 14.

The person wishing to receive the permit mentioned in the preceding paragraph, shall submit an application in duplicate to the consul mentioned in the first paragraph of Article 14 stating the item to be changed and the reasons therefor. The original permit must be attached to the application.

When the permit covered by the first paragraph was granted by the consul, a revised narcotics internal shipment permit will be issued.

Article 17

A holder of a narcotics internal shipment permit, desiring to change Item 1 of the second paragraph of Article 14 or when aware that a change in Item 4 has taken place, shall report the change to the consul mentioned in the first paragraph of Article 14 within five days.

Article 18

When a holder of a narcotics internal shipment permit has shipped all of the narcotics listed on the permit or when all or part is not shipped within the period stated on the permit, he shall report this to the consul mentioned in the first paragraph of Article 14 within five days, the report to be forwarded with the permit attached.

Article 19

A patient or a person nursing a patient may take medicine containing narcotics from one consular district to another when necessary from the standpoint of curing the sickness. However, the amount of medicine should be sufficient only for seven days' treatment.

A patient or a person nursing a patient desiring to take medicine containing narcotics from one consular district to another, in accordance with the provision of the preceding paragraph, shall make

a report to the supervisory consul giving information on the following points:

1. Name and address of person carrying the medicine.
2. Name, age and address or place of location of the patient.
3. Name of the patient's disease.
4. Name of the doctor, name of the medical office, and address of the doctor's office (including doctors and dentists operating outside of China) or foreign doctors (in China), who delivered the medicine or who prescribed the medicine.
5. Amount, usage and dose of medicine.
6. Period in which the medicine will be taken from one consular district to another.
7. Place of destination.

CHAPTER NO. 3—TO OBTAIN BY TRANSFER AND TO TRANSFER

Article 20

When doctors, druggists or students desire to obtain narcotics by transfer, they shall obtain it from a druggist. However, no obstacle will be made to obtain narcotics from a foreign druggist. (Note: This appears to refer, in the first sentence, to Japanese doctors, druggists and students and in the second sentence to foreign druggists in China.)

Those wishing to obtain narcotics by transfer in accordance with the provision of the preceding paragraph shall be unable to secure them unless sealed by the (Japanese) Government's Hygienic Laboratory and similar institutions or by those engaged in the business of filling prescriptions or druggists, including those corresponding thereto, who manufacture medicines.

The preceding two paragraphs will not apply in case special provisions are made under this ordinance.

Article 21

Doctors, druggists or students desiring to obtain narcotics by transfer, in accordance with the first and second paragraphs of the preceding article, shall obtain a permit from the supervisory consul.

Those desiring to obtain the permit, hereafter called the narcotics transfer permit, mentioned in the preceding paragraph shall submit an application in duplicate to the supervisory consul, giving information on the following points:

1. Applicant's name, firm's name, occupation and place of business office.
2. Purpose of obtaining narcotics by transfer.
3. Kind of narcotics, name and volume.

4. Name of the person making the transfer, name of firm, occupation and place of business office.
5. Period during which transfer will be made.

Article 22

The consul shall grant a narcotics transfer permit on which all of the information required under the second paragraph of Article 21 is shown as well as the date.

A holder of a narcotics transfer permit shall obtain narcotics by transfer in accordance with the statements made on the permit.

Article 23

When the consul deems it necessary, he shall grant narcotics transfer permits to foreign doctors or foreign druggists. However, this does not apply when narcotics are obtained by transfer from foreigners.

The provisions of the preceding two articles shall apply *mutatis mutandis* to the permit prescribed in the preceding paragraph.

Article 24

When a person who received a narcotics transfer permit obtained narcotics from a foreign druggist he shall, within five days, report in detail the following information to the supervisory consul: nationality, name, name of firm, occupation and place of business of the person or firm who transferred the narcotics, and kind of narcotics, name of goods and amount. The permit must be attached to the report.

When a report is received based on the provisions of the preceding paragraph and when the holder has not obtained by transfer all of the narcotics listed on the permit, the consul shall list on the permit the variety, name, amount and the date of transfer for the narcotics received. The permit will then be returned.

Article 25

When the holder of a narcotics transfer permit has not received all or part of the narcotics listed on the permit within the period stated on the permit, he shall report this fact to the supervisory consul within five days, the permit to be attached to the report.

Article 26

Unless special provision is made under this ordinance, the seal of a container for narcotics cannot be broken and the contents sold in small lots except by a druggist who is engaged in the business of filling prescriptions.

Article 27

When a druggist desires to transfer narcotics to a holder of a narcotics transfer permit, he shall take up the permit from the holder and shall transfer the narcotics in accordance with the statements listed on the permit. However, when the holder asks for the transfer of a part of the narcotics listed on the permit, the druggist shall ask for the permit and shall list the kind, name, amount and date of transfer of the narcotics on the permit and return it to the holder after signing and placing his business seal on the permit.

When a druggist takes up a narcotics transfer permit in accordance with the provision of the preceding paragraph, he shall list the date of transfer and, after signing and placing his business seal on it, shall present it to the supervisory consul before the fifth of the next month.

CHAPTER NO. 4—HANDLING OF MEDICINES WHICH ARE TO BE COMBINED WITH NARCOTICS*Article 28*

Necessary instructions for the use of medicines combined with narcotics will be given by the doctor to the patient or when such medicines are delivered to treat sick animals. When giving prescriptions for medicines containing narcotics instead of giving the medicines, it is the same.

Article 29

If a doctor desires to deliver medicines containing narcotics in accordance with the provision of the preceding article, the following items and the word "narcotic" must be stated on the container or wrapper:

1. Name of doctor and name and address of office.
2. Date of delivery of the medicine.
3. Name, age and sex of patient or sick animal, kind of animal and other statements necessary in identifying the said animal.
4. Name of patient's or animal's disease.
5. Quantity, dose and directions for use of medicine.

When a doctor delivers medicines containing narcotics in accordance with the provision of the preceding paragraph, it must be reported in detail to the supervisory consul within five days. The report should include the information called for in the preceding paragraph.

Article 30

If a doctor desires to give a prescription for medicines containing narcotics in accordance with the provision of Article 28, the following information must be given and the word "narcotic" must be stamped on the prescription slip.

1. Name and address of doctor's office.
2. Date of prescription.
3. Name, age and sex of patient or sick animal, kind of animal and other statements necessary to identify the said animal.
4. Name of patient's or animal's sickness.
5. Name, quantity, dose and directions for usage of medicines.

When a doctor delivers prescription slips for medicines containing narcotics, in accordance with the provisions of the preceding paragraph, it must be reported in detail to the supervisory consul within five days. The report should include the information called for in the preceding paragraph.

Article 31

With the exception of cases falling under the provisions of Article 28 no one except a druggist engaged in the business of filling prescriptions may prepare medicine containing narcotics for the purpose of delivery.

The medicine mentioned in the preceding paragraph must be prepared in accordance with the doctor's prescription slip. This provision includes foreign doctors.

Article 32

Druggists who prepare medicines containing narcotics in accordance with the provisions of the preceding article must take up the prescription slips from those for whom the medicines were prepared. However, if all prescriptions listed are not filled at one time and left incomplete, the prescription slips shall be turned over to the druggist and returned to the holder after the druggist has indicated thereon what prescription was filled and the date of filling it, together with his signature and business seal.

After taking up the completely filled prescription slips in accordance with the provisions of the preceding paragraph, the druggist must submit such slips to the supervisory consul by the fifth of the following month after noting the date when the prescription was filled and after placing his signature and business seal on them.

Article 33

When a druggist who is engaged in the business of preparing medicines in accordance with the provisions of the preceding two

articles delivers such medicines he must see that the following information is given on the container or wrapper and that the word "narcotic" is stamped thereon:

1. Name of prescriber and name and address of dispensary.
2. Date of prescription.
3. Name, age and sex of patient; kind, age and sex of animal and other statements necessary to identify the said animal.
4. Name of patient's or animal's disease.
5. Quantity, dose and directions for use of medicine.

Article 34

When a patient or a nurse of a patient or the person in charge of a sick animal receives medicines containing narcotics from a foreign doctor for the treatment of the patient or sick animal, this fact must be reported in detail to the supervisory consul within five days, together with information on the following points. This provision applies also to cases in which prescription slips are received for medicines containing narcotics.

1. Name and address of receiver of medicine or prescription slip.
2. Nationality, name, name of business office and location of the foreign doctor who delivered the medicine or who issued the prescription slip.
3. Date when the medicine or prescription slip was received.
4. Name, age and sex of patient; kind of animal, age and sex and other statements necessary to identify the said animal.
5. Name of patient's or animal's disease.
6. Quantity, dose and directions for use of medicines or prescriptions received.

Article 35

When a patient or a nurse of a patient or the person in charge of a sick animal receives prescription slips for medicines containing narcotics from a Japanese or foreign doctor for the treatment of such patient or sick animal, the prescription slips must be taken to a druggist who is engaged in the business of filling prescriptions. Such prescription slips are not, however, prohibited to be taken to foreign druggists.

Article 36

Those who take prescription slips to foreign druggists as provided for in the preceding article, must report this action to the supervisory consul within five days from the date of prescription, together with information on the following points:

1. Name and address of receiver of such prescriptions.

2. Nationality and name of prescriber, and name and address of dispensary.
3. Date when prescription was received.
4. Quantity, dose and directions for use of the medicines prescribed.
5. Name of Japanese or foreign doctor from whom the above-mentioned prescription was received; name and address of office and, in case the said doctor is a foreigner, the nationality of the doctor.
6. Name, age and sex of patient; kind of sick animal, age and sex and other statements necessary to identify the said animal.
7. Name of patient's or animal's sickness.

Article 37

When a patient or a nurse of a patient or the person in charge of a sick animal receives medicines containing narcotics from a Japanese or foreign doctor for the treatment of such a patient or sick animal, the said medicines must be used or applied in accordance with the instructions received from the Japanese or foreign doctor. This provision applies also to cases in which medicines containing narcotics are received from the druggist.

CHAPTER NO. 5—CUSTODY AND SUPERVISION

Article 38

If a doctor, druggist or student desires to store narcotics, he must keep them separated from other drugs in one special container or place and locked.

Article 39

If narcotics stored by doctors, druggists or students deteriorate, become altered or for other reasons can no longer be used, this fact must be reported immediately to the supervisory consul, together with the kind, name and quantity of narcotics involved.

Article 40

When doctors, druggists or students desire to suspend their operations or to withdraw from China and if they have on hand stored narcotics such narcotics must be transferred immediately to other doctors, druggists and students.

Those who transferred narcotics as provided for in the preceding paragraph must report this fact to the supervisory consul within five days from the date of the transfer together with information covering the kind, name, quantity and date of transfer of these narcotics.

In case it is impossible to transfer narcotics in accordance with the first paragraph this fact must be reported immediately to the supervisory consul together with the kind, name and quantity of the narcotics involved.

Article 41

In case doctors, druggists or students should die or the whereabouts of such persons should be unknown, and if narcotics should be found stored, this fact must be reported immediately to the supervisory consul together with information covering the kind, name and quantity of such narcotics. The report may be made by the head of the family where such persons were residing, members of such persons' families or by employers or employes of such persons.

Article 42

Those who have narcotics in storage in accordance with Article 39, the third paragraph of Article 40 and the preceding article, must dispose of such narcotics in accordance with instructions issued by the supervisory consul.

Article 43

If doctors, druggists or students import narcotics or receive narcotics from foreign druggists (in China), they must inscribe on the containers or wrappers their names, trade marks and date when the products were imported or obtained by transfer and also the word "narcotic." Consecutive numbers for each year and for each container must also be inscribed.

Article 44

Druggists who repack or rebottle narcotics for the purpose of transferring such narcotics must give the following information with the word "narcotic" on each container or wrapper; the latter must also be sealed.

1. Name of transferrer, trade mark, occupation and address of business office.
2. Kind of narcotics, name and quantity.
3. Date of repacking or rebottling.
4. Consecutive number by each year for each container or wrapper of the narcotic repacked or rebottled.

Article 45

Doctors, druggists or students shall keep record books in which they shall list imports of narcotics, internal shipments, transfers to others and products received by transfer from others or other re-

ceipts or disposal or repacking in accordance with the preceding article. On each occasion the following information is to be recorded. However, when using narcotics for medical purposes, prescriptions or research purposes and when the amount involved does not exceed one gram, this provision does not apply.

1. Date of narcotic import permit and items of record made on permit.
2. Date of narcotics internal shipment permit and items of record made on permit.
3. Date of narcotics transfer permit and items of record made on permit.
4. Date of receipts or disposals.
5. Kind, name and amount of narcotics which have been received or disposed of.
6. The number of packages or containers of the narcotic mentioned in the preceding item (5).
7. Name, name of firm, occupation and place of office of the receiver or seller.
8. Date of repacking and items 2 to 4 inclusive of the preceding article. (Article 44.)
9. Other matters to be used as reference.

When the record book mentioned in the preceding paragraph is closed the date of closing should be recorded and the record book kept for three years.

Article 46

Doctors, druggists or students shall make a report every year listing the kind, name, amount and container and consecutive number of package of the narcotics received or disposed of and submit the report to the respective supervisory consul by the end of January of the next year in accordance with the following schedule:

1. Narcotics imported.
2. Narcotics obtained by transfer from a foreign druggist.
3. Narcotics obtained by transfer from imperial subjects (i.e., Japanese).
4. Narcotics shipped internally in China.
5. Narcotics transferred to holder of a narcotics transfer permit.
6. Narcotics delivered by doctors (to patients) or consumed in the preparation of medicines based on a prescription issued by a foreign doctor.
7. Narcotics used for medical treatment.
8. Narcotics used for scientific research.
9. Narcotics that have deteriorated or changed in nature and which cannot be used.
10. Stock of narcotics on hand at the end of December.

CHAPTER 6—MISCELLANEOUS***Article 47***

When a doctor treats a narcotic addict he shall within five days report to the supervisory consul the name, age, sex, address of the patient and the kind of narcotic used by the addict and the date when treatment was begun.

Article 48

When an employer ascertains that an employee living with him is a chronic drug addict he shall, within five days, report to the supervisory consul the name, age and sex of the patient.

Article 49

The consul shall receive reports from doctors, druggists or students concerning the receipt, disposal or handling of narcotics and give necessary orders from the standpoint of supervision or deal otherwise with them as he sees fit.

When the consul deems it necessary, he may order a member of the consulate or a police official to inspect the office, warehouse or other places of the doctors, druggists or students and to observe the method of receiving and disposing narcotics and to inspect record books, documents and the like. In this case the inspector shall carry a certificate of identification.

Article 50

A consul shall make a chronic narcotic addict receive medical treatment from a specified doctor or make him enter a hospital or make him live in a specified place and forbid his going out until he is cured. The consul shall take any other steps necessary in connection with the cure of the patient.

The expenses for the treatment as provided for in the preceding paragraph shall be the burden of the person in question. If the person in question has no resources his employer shall be made to carry the burden.

Article 51

When it is necessary to record the name of a person in accordance with the regulations of this ordinance, if it is a juridical person or a corporation which is not a juridical person or when it is a foundation, the name of the place or title and representative or the name of the administrator shall be listed.

*CHAPTER 7—PENAL REGULATIONS**Article 52*

A person who falls under any of the following categories listed below will be punished by penal servitude for a period of less than three months or a fine of less than Yen 100.

1. Those violating the regulations of Article 12, Article 18, first paragraph of Article 24, Article 25, Article 28, second paragraph of Article 29, Articles 30 to 32 inclusive, Articles 38 to 41 inclusive or Articles 43 to 48 inclusive.
2. Those giving false information in reports required in accordance with the provisions of the first paragraph of Article 12, Article 18, first paragraph of Article 24, Article 25, second paragraph of Article 29, second paragraph of Article 30, Article 39, second or third paragraph of Article 40, Article 41, Article 47 or Article 48.
3. Those making false statements in applications for narcotics import permits, narcotics internal shipment permits and narcotics transfer permits; in prescriptions for medicines containing narcotics; on container or wrapper of narcotics or of medicines containing narcotics; in the record book specified in Article 45 or in items to be listed or recorded in the report called for in Article 46.
4. Those not obeying the instructions of the consul in accordance with the regulations of Article 42.
5. Those not obeying the orders of the consul in accordance with the provision of the first paragraph of Article 49.
6. Those refusing or obstructing inspection in accordance with the provision of the second paragraph of Article 49 and those who either refuse to answer the inspector's question or who give incorrect answers.

Article 53

Those neglecting to make reports or who make improper reports in accordance with the provisions of the second paragraph of Article 13, second paragraph of Article 19, Article 34 or Article 36 shall be fined by a sum less than Yen 100 or punished by detention.

Article 54

Those refusing to obey the orders issued by the consul in accordance with the provisions of Article 50 shall be detained.

Article 55

The consul shall confiscate smoking opium or instruments for smoking opium in accordance with Chapter 14 of the Criminal

Law; narcotics or crude opium in accordance with Article 10 of the Controlling Ordinance or narcotics in accordance with Article 52 of this ordinance except in cases where confiscation is made by order of the court.

Article 56

Doctors, druggists or students cannot avoid being punished when the manager, head of the house, family, or people living with them, or employees and other workers, commit acts in violation of Article 52 by saying that the act of violation was committed without their instructions.

Article 57

The penalties prescribed in Article 52, in case of a juridical person, shall be applied to a director or directors or other officer or officers who administer the business of the juridical person, and in case of a minor or person adjudged incompetent, to the legal proxy. However, this provision shall not be applicable to a case of a minor, who has the same business ability as an adult.

SUPPLEMENT

The present ordinance is to be enforced from the date of enforcement of the Controlling Ordinance. (Note: August 20, 1941.)

The Morphine Control Ordinance (Ministry for Foreign Affairs Ordinance No. 10—1936) and the Narcotics Control Ordinance (Ministry for Foreign Affairs Ordinance No. 11—1936) in China are abolished.

Those who received permits to import narcotics from the consul in accordance with the provisions of the Narcotics Control Ordinance in China, mentioned in the preceding paragraph, when importing after the date of enforcement of the present ordinance, shall be considered as having received a narcotics import permit issued in accordance with the provisions of the present ordinance.

Violations committed before the present ordinance is enforced will be punished on the basis of the old ordinance.

ANNEX III

THE JAPANESE OPIUM RACKET IN CENTRAL CHINA

By ANTHONY SMITH

The main characteristics of the opium situation in the Japanese-occupied areas of Central China in the early days of May, 1938, can be summarized as follows:

- 1) The activity of all of the anti-opium agencies as installed by China's National Government has been practically suspended through interference either by the Japanese themselves or by the bogus Chinese authorities set up by them.
- 2) The import of opium, heroin and other narcotics has become completely free. Huge quantities of narcotics of all sorts are imported, in particular from Japanese-controlled Dairen and Tientsin.
- 3) Opium and other narcotics are freely distributed all over the areas in question, and are being openly marketed in many formerly almost completely opium-free districts and cities, as, for instance, Nanking.
- 4) This opium business is concentrated in the hands of a series of Japanese and Korean opium rings, powerful through their intimate relations with the Japanese authorities and with the local bogus authorities set up by them. Newly organized Chinese opium gangs have been placed in control of distribution in whole cities, as, for instance, in Soochow.
- 5) In the retail trade in opium and other narcotics are employed the lowest strata of the Chinese population and of the Japanese colony in Shanghai, many of them criminals. A special feature of this retail trade is the frequent employment of women traders and peddlers, recruited from either professional prostitutes of both nationalities, or from ruined Chinese women who have been taken along by the Japanese soldiery.
- 6) The bogus authorities set up by the Japanese are collecting revenue from the narcotic trade, either openly through the licensing of opium smoking, or through levies of contributions from the dominating opium rings. Many local Chinese officials receive their rewards through direct participation in the narcotic trade.
- 7) Opium and other narcotics are forced upon non-addicts and unwilling people. There is propaganda for the consumption of narcotics, and Chinese workers frequently receive part of their payment in the form of narcotics.
- 8) As a consequence of this situation, the consumption of opium and other narcotics is rapidly increasing, and addiction to narcotics is widely spreading.

ANNEX IV

REPORT ON THE NARCOTIC TRADE IN NANKING

By DR. M. S. BATES

I. SHARP REVERSAL OF CONDITIONS

The present generation has not known large supply and consumption of opium in Nanking, nor open sale in a way to attract the poor and ignorant.

Particularly during the last five years has the use of opium been slight, due to fairly consistent and cumulative government pressure against the trade, plus the result of educational effort during the past thirty years. Heroin was practically unknown.

But the changes of the year 1938 have brought an evil revolution. Today opium and heroin are abundantly supplied by the public authorities or by those who enjoy their favor and protection. Tens of thousands of persons have become addicts, including children and numerous young people of both sexes. Thousands are engaged in the business. A new generation is beginning with the weight of ruling authority thrown in favor of narcotics. Some officials are notorious and open consumers. Public revenues are being built upon the ruin of human bodies and spirits.

Licensed dens in the public system advertise upon the streets that their products increase the health and vigor of those who use them; and the one newspaper in Nanking, official in character, invites citizens to places of doom.

II. THE NATURE OF THE TRADE

A. Opium

1. The Public System. For administrative purposes in general Nanking City (including Hsiakwan) is divided into five districts. Each district is supposed to have one Opium Supply Establishment (T'u Kao Hang) authorized to sell up to 750 ounces per day. Actually the Opium Suppression Bureau is issuing opium directly to the subordinate sale agencies now to be described.

Each district may have five retail stores (T'u Kao Tien) say the basic Regulations. They are taxed in three grades presumably according to the amount of business they do, at \$4,200, \$2,840 or \$1,420 per quarter. Each district was supposed to have ten Smoking Dens (Shou Hsi So), of which forty odd were doing business as of November 15.

They are taxed according to the number of lamps employed; nine lamps at \$150, six lamps \$100 and three lamps at \$50. But while this report is being written the official Regulations have been changed to permit in each of the five municipal districts ten Retail Stores and thirty Smoking Dens. I observed several opening for the first time on November 19. One friend has secured at my request the names and addresses of 52 stores and Dens which he found in one day in the southern half of the Walled City, only.

2. *Observations on the Public System.* The Opium Suppression Bureau is under the Municipal Finance Office of the Tupan's Administration. Recently there has been some police pressure, associated with interests in fines, upon users of narcotics other than opium. The Bureau's Regulations and By-Laws are concerned mainly with bringing all private trade and consumption into the revenue net.

There is vague and kindly mention of a possible institution for breaking the narcotic habit; but more specific are the measures to control expected crookedness within the system, and to ensnare requisite secrecy in this "public" enterprise. The broad social view of the Opium Suppression Bureau is indicated by the arrangements for supplying hotels and brothels with special licenses and even by the private licenses (for seven-day limit, which is surely generous) to cover marriages, funerals and social entertaining.

3. *Private Trade, Sources of Opium Supply. Price, Volume of Business.* From examining the official scheme, one might think that only 75 (now 200) establishments would be dealing in opium in Nanking. But one must recall the large number of hotels and brothels of all sizes and names, plus the fact that a host of domestic lamps, licensed and unlicensed, are doing more than domestic duty. One very small neighborhood, near my home, and not in a thickly populated portion of the city, is found to have fourteen obvious centers of distribution and consumption.

Within the past few days, one organization of Japanese and Korean "hostesses" and ronin brought in 80 cases of opium. An important dealer in the public system says that Japanese agents a fortnight ago delivered here over 400 cases of Iran opium; but this shipment seems to have had some relation to the Opium Suppression Bureau, and therefore should not be criticized. However, there is abundant testimony that the major opium supplies come from Dairen through Shanghai.

The daily sales under the hands of the proper officials are in principle limited to 6,000 ounces. Not a few of the sales go out to the surrounding country. Actual totals must be much greater than the legal limitations. But 6,000 ounces alone represent \$66,000 per day wholesale, or \$2,000,000 per month.

B. Heroin

Destructive and alarming as is the trade in opium, it is overshadowed in viciousness, perhaps roughly equaled in monetary volume, and probably surpassed in number of persons affected by the totally new development of heroin.

Heroin is more convenient to take and a very small quantity is effective. It is commonly said that at the present prices a moderate addict's daily use on a low plane costs fifty cents to one dollar in opium but only thirty or forty cents in heroin. (Portions of opium or lamp privileges in the official Smoking Dens run from 20 cents to \$5, according to quantity, quality and the style of the establishment.)

A sensible private estimate is that 50,000 persons, one-eighth of the Nanking population, are now users of heroin. Others put it higher. The trade in heroin is private, widely scattered in retail peddling and conducted through agents who work under a hierarchy of intimates. One friend knows of 72 places of sale.

It is commonly reported that the Special Service Department of the Japanese Army has close and protective relations with the semi-organized trade in heroin. An agent of considerable standing says that the Special Service Department has recorded monthly sales above \$3,000,000 in the area of which Nanking is a center.

There is general testimony that a good deal of the wholesale trade is carried on by Japanese firms which outwardly deal in tinned goods or medicines, but handle heroin through rooms in the rear.

In a letter of July 4, 1939, Dr. Bates states that his sales figures in the above report included distribution to the countryside. "At that time of quick expansion," he says, "there was undoubtedly some stocking up; business . . . has gradually dwindled, and some other distributing centers have cut in."

ANNEX V

AVERAGE FOREIGN EXCHANGE RATES (in U. S. cents)

Year	China (yuan)	Hong Kong (dollar)	Japan (yen)
1929.....	41.901	47.167	46.100
1930.....	29.917	33.853	49.390
1931.....	22.437	24.331	48.851
1932.....	21.736	23.460	28.111
1933.....	28.598	29.452	25.646
1934.....	34.094	38.716	29.715
1935.....	36.571	48.217	28.707
1936.....	29.751	31.711	29.022
1937.....	29.606	30.694	28.791
1938.....	21.360	30.457	28.451
1939.....	11.879	27.454	25.963
1940.....	6.000	22.958	23.436

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